Appendix B

The Name of the Game

by Bill Walsh

With cartoons by Fred Wright

(An educational lecture given to Falconbridge Stewards in February of 1972 on the meaning of Collective Bargaining)
WHAT ARE WE SELLING?

For most workers, contract negotiations are something of a mystery. One of my jobs as a union activist, and I hope as a union leader, is to tear away some of that mystery. Leading groups, in particular rank and file leaders, like stewards, have to know the nature of negotiations, to know what they are all about.

If you know you are heading into a fight, it’s wise to know the kind of fight you are getting into. Then, you have a damn sight better chance of coming out ahead, than if you go in without knowing the nature of the fight. And negotiations is a fight. And I’m going to advance some views from my experiences, as to what kind of fight it is.

Actually, negotiations are bargaining for the price. You are selling something; somebody else is buying something; you bargain for the price.

I told a little story about this to the Falconbridge negotiating committee in 1969. I think the story originally comes from George Bernard Shaw. I told them about this fellow who was walking down the street one night. He saw a beautiful girl. He approached her and said, “If I give you a million bucks, will you spend the night with me?”

She said, “Oh, a million bucks? Sure!”

So far so good. So he followed it up this way: “If I give you two dollars, will you spend the night with me?”

She was indignant. “Two dollars! What do you think I am?”

He answered, “We have already determined what you are. All we have to do now is bargain for the price for your services.”

In a kind of way, that’s what negotiations are. When we enter into negotiations with the Company, we have something to sell them. We are selling our ability to work, our muscle and our brain. We make a promise that we are going to come to work on time, according to our schedule and to work five days in every week, and maybe even some overtime on occasion.

Really, what we are selling is our ability to work, our labour power. We sell that to the Company, and to a certain degree. we also sell our
commitment — our promise that during the life of the contract, for the price we are to get for our labour, we won't strike. So that's what we sell to the boss when we negotiate.

What is he buying? He's buying exactly that: your work, your services, your promise that you will be there every morning — barring sickness, accident, snowstorm, or the like. He's buying your promise that you will not conspire with your fellow workers to stop work (He's got that written into the contract. As a matter of fact, he has also had it written into the law!)

But you are not only bargaining for direct wages. Part of the price of your labour power is paid in the form of vacations, pensions, statutory holidays, premiums for overtime and shift work, and things like that. They are all a part of the price.

It even includes agreeing on matters such as seniority rights: for example, if there is going to be a cut-back, which workers are to be laid off, and in what order they will be called back; what weight will seniority have in promotions, etc... It is all part of the price we get in return for selling our ability to work. It goes into the contract finally reached at the end of the bargaining process.

The purpose of collective bargaining is to sell our ability to work, and the Company buys it. The argument is about the price. And that's what it's all about.

When a contract is reached and signed, the workers acting through their union, agree that they will not strike during the life of the contract. They have sold their ability to work for a given period of time — the life of the contract. Part of the contract provides that negotiations for a new contract will commence usually two or three months before the expiry of the present contract. According to the law you are not allowed to strike during the life of the contract, and even after the expiry date of the contract, except if you have gone through the conciliation procedure. Since you're selling your most vital asset — your ability to do useful work, your means of earning a living — it is a very serious process. The price you're going to get will be critical for you and your family during the two or three years of the contract.
THE NICE GUYS

Some people would have us think collective bargaining is really something like a pleasant debate among friends. That the side that scores the debating points is the winner. That it is anything but harsh. They would have us believe that the workers and management are really partners. You know, after all, the big thing is we are all working together for the same company! We have the same interests! Since we are all in this together — all that is needed is an exchange of ideas on what's right and what's wrong — a meeting of minds — for the common good of all; owners, management and workers!

When you listen to your own company spokesmen opposite you at the bargaining table, you realize they are very able people. They are gentlemen, speak with courtesy, even considerate and friendly. Dollars aren't the important thing; friendship, partnership, co-operation, those are the most important things to keep us going as a big happy family! Just about every company in many industries I have dealt with as part of a union team representing workers — just about every company sought to create the same illusion. I must confess I was somewhat surprised to find that after so many years of negotiating with Mine Mill, your Company was still talking that way in 1969, in the first set of negotiations in which I was involved with them.

Falconbridge Company and Falconbridge workers, it seems, had a special kind of love relationship, different from other companies. Other companies may be interested in higher profits and lower labour costs, but not this Company! Their interest in producing nickel is not because of profits but because it's a useful product and satisfies the needs of certain people. Their interest in workers is not because they are essential to produce profit for the Company, but because the workers are people, and they are interested in people! Well, that's hocus! Companies are in business to make profit. They hire people to make profit. They hire people to make profit for them. Everything else is secondary to that. If Falconbridge or Inco weren't making profits out of their business, they would get out of nickel and get into something else where they would make a profit.

The owners of General Motors, the owners of Ford, the owners of General Electric, Westinghouse, Firestone Tire — they're no different. If General Motors stopped making profits from automobiles, they would stop producing automobiles. If there was more profit in making
shoes, they would make shoes. Then you be able to buy General Motors’ shoes, or General Electric shoes!

If Westinghouse stopped making profits as a result of producing electric light bulbs, they would stop producing Westinghouse bulbs. And if they stopped making profits from refrigerators, or electric motors, they would stop making them. The same with General Motors. They are not in the business of manufacturing cars because cars are good for people, or because cars give us pleasure.

Falconbridge is not in the mining business because nickel makes people happy with shining things. They’re in business for profits.

## IN BUSINESS FOR PROFIT

What are these profits, and where do they come from? Why are the companies so keen on making them? I would like to give an example.

When the Ford Motor Company opened their new plant at Oakville, they shut down a part of their operations at Windsor.

As you know, I live in Hamilton. Often when going between that city and Toronto, I would watch this whole thing being built. A great tract of land was bought at a very high price. Then the engineers and architects got to work. Pretty soon the buildings were going up. They boasted the plant was the largest of its kind in the Commonwealth — all under one roof. They put up a great eight-story office building, tremendous parking lots, railway tracks and loading platforms.

Then they brought in all the latest machinery, including conveyors, electronic equipment to make sure the thousands of parts would come together at the right time and at the right place.

So they had their giant plant, their big office building, all kinds of raw materials and all kinds of electronic equipment and machinery. And if they stopped there, if that was all they had, they would have been there since that time — in the early 1950’s — until today, without making a cent in profit.

Without one additional thing, all that plant and equipment would have gone moldy and rusty. They needed workers! They needed
people to put things together. They wouldn’t have made one cent of profit out of all their buildings, on all their machinery, on all their equipment, their railway tracks, or their conveyors. They had to have workers who would put things together, to make an automobile that people would buy. Only with the selling of that car, the company would realize a profit.

The point to think about is this: if Ford just had the land, the buildings, the machinery, the parts — it could have stayed there for ten years, and it wouldn’t give Ford a cent! Only when the workers come in, start doing useful work, putting things together, only then can Ford start making profits.

Where do the profits come from? Think about it!

All companies are in business for one thing: to make a profit. They’ll stay in that business only as long as they make a profit. If they can make more profit over there, they’ll move over there.

I used to think that when someone said, “Labatt’s”, he meant beer. Today, Labatt’s is in many things. They control many companies. They will make anything for a profit, not only beer. General Motors is the same. They produce hundreds of different things — for a profit.

Falconbridge is not different from other companies. They are in business to make a profit. That is important. Your manager was very upset when I said it during the bargaining in 1969. He said they are interested in people, interested in giving jobs to people. If Falconbridge wasn’t operating, people wouldn’t have jobs. If people didn’t have jobs, they would not get wages. Without wages, their families would suffer.

He is a nice guy; I believe him. He probably doesn’t want to see your family suffer. But, that’s not why Falconbridge operates. Falconbridge operates for profits, and not to ensure that your family doesn’t suffer.
PROFITS = UNPAID LABOUR

At Ford the metal parts, the wire, the batteries, the tires do not increase in value when they are sitting in the plant. In fact, they only rust if they sit too long.

Something adds value to the parts when they are put together to make a car. If they sold the car for what the company paid for the components, they couldn't make a profit!

The metal didn't increase in value. The rubber and upholstery didn't increase in value. So what increased the value? Workers!

They came into the production process. They were paid, say $4 an hour for what they produced. But the finished product of their labour sold for $8 an hour. That's where the profit came from — that $4 an hour he didn't get — unpaid labour. Profit is that part of a worker's labour that he doesn't get back in wages.

So a worker at Ford gets say, $4 an hour for working in the plant at Oakville, but his work is likely worth $8 an hour. The profit of the company is that part of the value which he gives to the car and for which the company doesn't pay him, when they sell the car.

That's what profit is, fellows! It's easier to use Ford or GM as an example. But, it's the same with a mining company, such as Falconbridge or Inco. Profit is the amount our guys add to the value of the ores. In the ground the ores aren't worth a hoot in hell. The ores can stay in the ground for thousands of years, but they aren't worth anything until somebody digs them up and smelts them, refines them, and so on.

Until they get the product to the market, it won't be sold at a profit. It is you men who dig up the muck, who get it to the surface, crush it, smelt it, refine it — make it into something useful that can be sold. If this company pays the men four dollars an hour for the work, their profits come from the fact that the workers, by their labour, have added more than $4 an hour in value to the product. The company pockets that additional value that you added to the muck by your labour, and for which you were not paid.

That's the only source of profits. The greatest economists have come up with no other explanation that makes sense. Any other explanation for the source of profits is nonsense. The worker at work is the source of profits. Profits come from his unpaid labour.
Think about that when you go by some factory. It doesn’t matter whether it is a clothing factory, or a shoe factory, an automobile plant, or a mining enterprise—think about where the profits come from! Why do they operate the plant? What makes the Board of Directors decide to invest money in this or that business?

WHAT IT IS ABOUT!

I would like to tell you a story I told the company during negotiations in 1969. I was not interested in educating them, but just trying to get rid of some of the smoke screen about them only being interested in the good of our people, and all that sort of stuff.

I told your negotiating committee and the company a true story of something that had happened to me in another set of negotiations, with another company. Some of you will remember there was a big strike wave across Canada in 1946. After the war, workers in big steel companies, big electrical manufacturers, auto plants, seamen and lumber workers in Canada were on strike.

As it happened, I was a representative of a large number of workers in one of the largest companies in the electrical manufacturing industry. By that time we had been on strike about three months, but we weren’t getting very far trying to negotiate a settlement of the strike—trying to get a contract.

We had no such thing as a strike fund in those days, and our people were having a tough time. But we were determined to keep fighting. We knew the company’s profits were cut off so long as they didn’t have workers in the plants producing for them.

On the agenda for negotiations that particular day was the subject of paid vacations. Some of you may not remember, but in those days, the sum total of vacations was one week with pay for most workers. I don’t recall for certain, but I believe it took about ten years of service to get two weeks paid vacation.

That morning in negotiations, the company had their usual crew of experts there. But sitting behind them was a man I had never seen before. He sat quietly for some time. Then I began talking about wanting three weeks vacations for old time workers. I imagine it went something like this: “You have a man working for you for ten, fifteen.
twenty or even thirty or more years — and he can never look forward to three weeks vacation before he dies”.

I was making a big pitch about this oldtime worker, his wife and kids, who didn’t have the right to a decent vacation during his entire working life. As I said, this new fellow on the company side had been sitting quietly behind the company experts, patiently listening for a couple of hours. Then he moved his chair forward. The other company people made room for him. Then we knew this was the big boy. The guy with authority.

He spoke with an American accent. He said: “Now listen, Mr. Walsh. My name is so-and-so. I was sent up here from the head office of the Company in the U.S.A. We want to get this plant back into operation. We recognize the only way we can do it is to settle the strike and sign a contract….” Those are not his exact words, but they’re close enough. “We operate these plants to make a profit, and we can’t make a profit if the plants don’t operate”.

He continued: “I’ve listened carefully to your remarks and what you’ve said about old-timers who ought to have three weeks paid vacations with their families. Sounds O.K. But to be honest, I’m not really interested in this old timer and his family. I don’t even know him and probably never will. What really interests me is how much it will cost to give the old-time workers three weeks of paid vacation”.

The big man from the U.S.A. made himself perfectly clear: “You see, in this electrical industry, we have to buy many commodities. We have to buy copper, rubber. We have to buy steel. We buy mica, enamel, paint, and many other commodities. When we buy these things we pay the lowest price we possibly can.”

“We also need to buy your labour. That’s what we’re here for, to end the strike so your people will start working for us. So let’s talk about the price we have to pay for the commodity you’re going to sell us — your labour. Let’s talk about the price you’re asking. To us labour is just like copper, rubber, steel, paint and so on. It’s a commodity that we need. And we’re going to buy it for the lowest price we can — including the cost of vacations, if that’s part of the price”.

Of course, I had known for a long time that as working people, we are commodities to the employers. But I have to thank that gentleman from the U.S.A., for teaching me something. He taught me that at the moment of truth, when the smoke is cleared, when decisions have to be made, employers recognize the facts of life too. Among themselves, I’m sure they make no bones about it. What was so surprising was that he said it to me and to the rest of the workers’ committee. That’s because he wanted to settle the strike, and was only interested in the cost. By clearing the air, he speeded up the time it took to settle the price of our labour — to settle the strike and sign the contract.
LABOUR IS A COMMODITY!

So in 1969 I told this true story to your company during negotiations. I concluded by saying, "That's what labour is — a commodity. You gentlemen are trying to buy it at the lowest possible price; we are trying to get the highest price we can — because that is all we have to sell".

Your manager got mad. He roared, "I didn't say labour was a commodity! You did! Workers are not horses; they are not animals. You're the guy who's saying that. We think workers are people; they are human beings".

To that, I say, "Horse Shit"! Excuse me Mr. Manager, but you are really interested in labour only from one point-of-view — how to buy it at the lowest possible price. The fact is that if you can save one-cent-an-hour for every man in the work force, it comes to $80,000 a year. Think of that: one cent an hour extra for every man, costs the company $80,000 a year!

One cent an hour is a lot of dough. Ten cents an hour is a hell of a lot of dough. So, if the company can save ten cents an hour on their workers, that's getting pretty close to a million dollars a year. So it's all right for Mr. Boss to talk about being interested in your family. I am sure he is! But he's not likely to be handing out extra pennies an hour unless he has to — not at eighty thousand dollars for each cent.

I was at some sort of stag here a few weeks ago. Your union president dragged me out to honour a worker going on pension. This guy was an old-timer at the 'Bridge, and he is mainly known because his son is a prominent professional athlete — a hockey player.

I happened to be here to present one of your grievances in arbitration, but I went down there because your president said this was a big occasion and a lot of your members would be there. There were a lot of the men there, and quite a few bosses too, including your general manager. I noticed he talked to all kinds of men. He seemed to know them all by their first names, and he talked to them like buddies.

I think that was pretty interesting. He probably is interested in them. But when the chips are down that "buddy" stuff doesn't mean very much. We found that out in 1969. When the chips were down in 1969 this is how much the buddy stuff meant (Walsh extended his hand, snapping his thumb and finger together).
If the company was so interested in your families, how come on the first day of the strike, they cut off our life insurance, cut off our hospital benefits, cut off our drug plan?

That didn’t seem to show they were terribly interested in our families. The fact is they’re not, excepting to keep up the illusion. So long as it doesn’t hurt them; so long as it doesn’t cost much, they are willing to be nice guys.

I hope what I am saying will not be taken as terribly unkind. I am not saying there is anything less than human about your managers, or any of the people who bargain for the company. That is not my intention. My intention is to be neither kind nor unkind. However, for men who are members and leaders of a union, it is important to know the facts of life.

If you don’t know the facts of life, you can get badly hurt. You can suffer defeats that would have been avoidable. It helps to know the facts of life, even if the facts are not pleasant.

THE SETTLEMENT — A POWER STRUGGLE

We’ve talked a little bit about negotiations. what they are about. We’ve discussed where profits come from. Now I want to deal with what is really the most important thing in negotiations.

I’m going to put the same question to you that I asked your Local Union Executive and Negotiating Committee at the leadership school we held a short while back. I asked them to consider this: After about 4½ years of World War II, a settlement was negotiated. But what kind of negotiations were held between the so-called Western Allies. Our side and the other side — the high command of the German general staff?

Hitler was dead. Admiral Doenitz was in charge. Eisenhower and Zhukov and some others represented the Western Allies. After over four years of war with more than 25 million killed, the entire negotiations lasted probably less than an hour. A document was set before the
German command and they were told to read it and sign it. They read it and signed it. That was the negotiations!

What about the negotiations that settled the Far Eastern sector of the same World War II? General MacArthur, some representatives of the Soviet Union and other allies met some officers of the Japanese high command on an American battle ship. The Japanese also had a piece of paper put in front of them. They read it and signed it. That ended those negotiations.

On the other hand, if you remember the Korean War you will recall that those negotiations took three years. The two sides sat opposite one another for all that time, before the paper was signed. And when that agreement was signed, the important clause was the boundary line between North and South Korea. The boundary line was set very close to the battle lines, where the fighting had actually stopped. It was adjusted by a hundred yards or so on one end, and a compensating hundred yards on the other end.

A QUESTION OF POWER

All of you know the negotiations in Viet Nam have now been going on for over three years — with no settlement in sight. The first six months of those negotiations were spent in deciding what shape the table should be, what city they should be in, who should be there, and who should sit at what part of the table. Sounds silly, doesn’t it? But, there were good reasons for it.

What about the recently concluded war between India and Pakistan? Did you see it on T.V.? The general of the Pakistani army was sitting there. The general from the Indian army came up and sat beside them. They both signed the document that was put before them.

Then the Pakistani general took off his side-arm and presented it to the Indian general; then he touched the other’s forehead, which in that part of the world apparently means, “I surrender”.

The whole war was over in a week or ten days. Negotiations lasted a brief enough time so it could be fully presented on T.V. That was it.

Now think about it. The negotiations to settle World War Two and the India-Pakistan war lasted about an hour. But the negotiations to
settle the Korean war lasted three years. How come?

In the World War Two negotiations, one side had all the power; the other side had none. In Korea and Viet Nam, the balance of power was pretty nearly equal. Nobody has been able to win. The question was one of power; and what was achieved through power. That’s what made the big difference!

In Germany, Japan and Pakistan, one side was crushed by the other. The victor was able to impose his will on the other, because of his power. This was translated into the terms of settlement. The document was a reflection of the realities of power.

All during the negotiations in Korea, the fighting was going on. The same thing is taking place in Viet Nam today. After the three years of negotiations in Korea, both sides settled for pretty close to exactly where the troops were. They agreed the dividing line would be where the fighting was going on. This happened to be close to the old border line, but that was only a coincidence. What did this mean? It meant that the balance of power was such, that when they negotiated, they had to recognize the facts of life.

Let’s put it another way. The most brainy man who ever lived was probably Albert Einstein, a brilliant mathematician and outstanding thinker. Let’s say that when General MacArthur and the allied high command went on that battle ship in the Pacific Ocean in 1945, they found Albert Einstein as one of the negotiating team of the Japanese Imperial Command.

In other words, let us assume the Japanese had on their side the most brilliant genius who ever lived. How much difference would that have made in the results of those negotiations? Very little. The fact is that the Japanese armies were crushed and destroyed. Einstein might have been able to get a settlement that was a tiny bit less tough, but that is all. Brilliance is important, but it can never make up for power. It can’t change the facts of life.

The facts of life are that power is the main determinant in any struggle. Intelligence, knowledge, brilliance are of vast importance, since they are immensely valuable in building up power, knowing how to use it — understanding timing and other factors. And they are important in knowing when not to use power. But these skills can hardly fill in when all power is gone.

That’s not much different from the essentials when unions negotiate with big companies. Skill, experience, intelligence, understanding of strategy and tactics, these are important in helping to build up, to recognize power, to know how and when to use power — or to avoid using power. On both sides, those who recognize the facts of life know that it is the balance of power which will decide — the balance of power and the knowledge of how to use it. Like in warfare, these skills have to be used early when power is being built up, when strategy is being planned. They cannot be successfully used as a substitute when all
power has been destroyed for all to see. At best these skills can be of some value in perhaps moderating the agony of defeat.

I would like to avoid carrying the comparison with military matters too far, but in many respects, there are essential parallels. And that too is a fact of life.

THE REAL MEANING OF LEADERSHIP

Does that mean there's no value to skill and even brilliance in the negotiating room. That what happens in the room is of no consequence, since it is only power that counts? I think it would be a mistake to come to that conclusion. Wide-awake, skilled and able people are of tremendous help in the negotiating room. It would be quite wrong to say that what happens in the negotiating room and in the private meetings of the committee is not important; that the outcome is decided only by naked power. What happens (or does not happen) in the negotiating room is important largely because of the way it helps or hinders the building up of power in the struggle as it reaches the critical period.

It is very important to have people in the negotiating room who know how to plan, how to bargain, how to negotiate. But without the leadership that builds up the basic powers of the members outside, the negotiators would be mainly fanning the air.

At $80,000 a year for each 1c an hour per worker in our unit, what chance is there for us to convince the company by appeals to their sense of justice, to their morals — if we don't have the power to give meaning to the basic justice and morality of our position? Remember Einstein in the example I suggested to you. What chance did an Einstein have without power, to convince the powerful and victorious allies to toss in the towel — to surrender after destroying the power of the enemy?

In negotiations with the employer a union committee is able to extract from the employer only the amounts of benefits equal to their power.

Unfortunately, there are too many leaderships who achieve less in negotiations than the strength of their members would entitle them to achieve. Some of them just don't understand the nature of negotiations.
They think only in terms of finding clever things to say, of debating with the other side, of manoeuvering with the Company. They may think of themselves as knights in shining armour, who, with their brilliance alone, or their appeals to justice, will convince the companies to concede big things. They forget the power of the members. They ignore the people down below. It would be wrong to say that what happens in negotiations isn’t important; that the outcome is solely decided by naked power on the two sides. What happens in the negotiating room is important, largely because of the way it affects the building up of power in the struggle with the companies.

It is important to have people in the negotiating room who know how to bargain; how to negotiate. But without the power outside supporting them, they are mainly fanning the air.

At $80,000 for each lc, what chance is there to convince the company by appeals to logic, morality or brilliance? After his armies were destroyed, how could Einstein convince the victorious MacArthur to surrender?

How could he persuade MacArthur to forget the whole deal and start from the beginning? He couldn’t! He could not do with brilliance what his side lost in the battle. All he could do was perhaps to moderate the terms a little, modify the harshness.

In negotiations with an employer a union negotiating committee is only able to extract from the employer the amounts of benefits equal to their power. It is true that a lot of union leaderships get less in negotiations than their strength, their power, entitles them to. It’s true, many of them do get less.

Some union leaders just don’t understand the nature of negotiations. They only think in terms of manoeuvering with the company. They forget all about the power of the people. They think of themselves as some kind of knights. They mistakenly think the people down below have no part to play at all. These are the kind of leaders who come out of bargaining with a proposed settlement that is less than the power of the people entitles them to, less than what the balance of power really reflects.

It takes very able, very experienced, very sensitive negotiating committee to come out of negotiations with just about everything to be had, based on the balance of power between the two sides. It is the most unusual and rare committee that can come out with a little bit more!

A rare committee can do that, and a very rare kind of struggle can do that. I don’t want to deal in detail at this session with the function of a negotiating committee, but it should not be downgraded. The committee can do a lot of good, or a lot of harm, depending on how it works. It has to plan. It has to work as a team. It has to be a unified group. It cannot be a committee that merely plans tactics to deal with the company. It has to recognize itself as representing the organization. It
has to work so as to make the power of the workers felt in the negotiating room.

That’s the challenge: how to build power and make it felt in the negotiating room, at the right time. If your power is built up too soon, long before the critical time, it may be on the skids when it is needed.

That’s the test of leadership. That’s the test of an understanding of the course of the struggle. It’s the test of correct team-work, to be able to come up with the effort and direction needed to get what the workers are entitled to — based on the balance of power you strive and work to achieve.

**TO STRIKE — OR NOT TO STRIKE?**

The bargaining committee is not neutral as some union leaders seem to think. It cannot stand outside the process of building up the membership’s strength. Naturally, a most important group in the building up of this strength in your own union is the steward body. They are that part of the leadership who are in direct contact with the membership.

Quite often during negotiations the top leadership of the Union is physically separated from the remainder of the executive and of course from the membership. The negotiating committee is sometimes compelled to spend days on end locked up in the bargaining room or close to it. I think they should find ways of getting back to people without staying away for critical periods. But they may still be away from the stewards body, which has the main responsibility for building the strength of the membership. When that happens the power of the members can suffer. Things are required to be done to develop the power of the membership, so as to peak that power at the most decisive time. At such times, particularly, a great added responsibility rests on the stewards. Your function as part of the over-all leadership of the Union becomes tremendously critical at such times.

You may possibly conclude from all I am saying that all I can see ahead in the next set of negotiations is a strike. I’m not saying there’s going to be a strike in the up-coming negotiations or in any set of
negotiations. I'm in no position to know it at this time, and neither is anybody else. Anyway, before there would be a strike, the issues would be debated and the members would decide.

What's important is to bear in mind that the employer wants to buy our ability to work, and to have us continue to work. Generally speaking, the thing he wants most is the assurance there will not be an interruption of work, that there will not be a strike. He bargains for the price he has to pay to get our work and to assure himself that we will continue to work — that we won't go on strike. But if he concludes there's no possibility that we will strike, or that we can't strike — then he knows he does not have to pay as much for our labour power. If you think about it, when an employer understands that the workers can and will strike if necessary, this will often make it possible to extract a higher price for our labour without the necessity of actually going on strike. If you know the other guy can knock your block off, it's unlikely you'll test him to see if he can. You know he can! Why risk your block by asking him to prove it?

Therefore, the job in building up power is not for the purpose of going on strike — although we may have to — but to build up power so that we don't need to go on strike. So long as the other side knows that we can and, if necessary, we will — that often will be enough. Sometimes there are mistakes, and miscalculations — but generally speaking, that's the key.

It's important to bear in mind: The threat to withdraw our labour and the power to back it up — that's what brings real pressure on the boss during negotiations.

I thought I should mention this so you wouldn't conclude we are already getting the picket signs ready. As I said, the union stewards have the main job of building up strength. They have to keep up the fighting spirit and maintain the morale and discipline of our members. They have to squelch rumours, because all kinds of rumours circulate during negotiations. The stewards have to keep their ears open, because there are some people who spread stories and try to create divisions.

You know the kind who make out that they know all the answers, but they really don't. They spread gossip and stories. They are really playing the company's game, these people. They are doing the very thing the company wants, the company needs. We had a few of those around in the 1969 strike. The one thing the company doesn't want is a strong and united body of workers facing them in bargaining.

Excepting for your ability to unite and stop production from going on, what the hell else has the company to fear? Those who create division are doing the company's work. If they are not being paid to do it, they should be. If they are not on the company's payroll, they're being cheated. They are doing a hell of a lot more for the company than the company can do for themselves.
When the Company tells the workers a story, the workers say, "That's more of Mather's propaganda. That's Tricky Dick!" But when the story comes from one of our own guys — well — this is the guy who may have the inside dope. He heard it from somebody, who heard it from somebody else, who really heard it! Stewards have to know how to deal sharply with such people.

I don't know of any substitute for the stewards' body, to be on their toes, to make sure there is a steady building up of our strength for the test of power. I don't know anybody else but the steward who is going to maintain discipline and morale, who is going to put down people who create division and gossip.

THE POWER OF THE OWNER

We should understand that it isn't only a question of our power. It's the balance of power. It is not only a matter of how much power we have, but also how much power the other guy has. The other guy is the company. Let's not underestimate his strength, because he has plenty of strength.

First of all, he owns the bloody place. It's his. If he wants to, he can shut it down. Lots of companies have done just that during the past year-and-a-half. He can keep it running; he can lay us off; keep us out; call us back. He has a tremendous amount of power in connection with that.

I have in my hand the last three financial statements for Inco. Every six months Inco seems to issue a financial statement to the shareholders. I have the last three. The first one is for the period ending September 1970; the next for March 1971, and the most recent one for September 1971.

They are not talking to you in these financial statements. They are not talking to the men in their mines and smelters. They are talking to the shareholders.

On September 30th, 1970 — a year and a half ago — Mr. Wingate, Chairman of the Inco Board said the sales and earnings for the first nine months of 1970 were the highest in the company's history ("Earnings" are really profits, but somehow they prefer to use the word — earnings! As though they've earned it!)
Earnings for the first nine months in 1970 were $160 million. This compared with earnings in the same period of 1969 of $97 million, and in 1968 with $104 million.

In the three months from July to September in 1970, Inco made a profit of $58 1/2 million. During the same period in 1969, profits were only $16 million. What happened? Wingate tells us the workers were on strike.

So what? The nickel was still there. The copper was still there. The platinum was still there. They still had the mines. Everything was still there, but the profits went down. In fact, the reason they made any profits at all was because they still had products to sell from a stockpile. Otherwise, they wouldn't have made a cent during the strike period.

So in 1970 they had the highest profits in their history. You might have thought they'd say something like this: "Now we can share the wealth a little bit by cutting the price of nickel. Maybe we could give the workers a few more bucks". Is that what they did? Let's look at it. A couple of weeks after the report the company announced an increase in the price of nickel by five cents a pound! That's really funny. They just made the highest profits in history, and two weeks later they announced an increase in the price of nickel.

You may think that all they wanted was to make even more profits because they're greedy. No sir, it's for the good of the country! And Mr. Wingate explains the patriotic reasons behind the increase in the price of nickel. He said the price increase will partially compensate for the reduction in Canadian currency and will help in the "realization of externally generated funds".

That's pretty tough language to understand. But listen to this: The price action is also expected "to have a constructive effect on the world nickel market". It would head off interest customers around the world now have in nickel in anticipation of an early price rise.

The price increase is therefore expected to hasten the time when nickel supply and demand will be in balance. Now who understands that? What he is saying is that those who are buying nickel now, are doing so because they are expecting a price increase later. So they're buying it fast now. "We don't want that! We think they should buy it later. So we've increased the price of nickel to discourage them from buying it now!"

What the hell! They are selling lots of it, so they jack up the price a nickel a pound. But he uses all this fancy language. They just want to level out the peaks and valleys! Who is he kidding? The shareholders know what it's all about: We have the highest profits in our history. We want more.

Six months later, Mr. Wingate is talking to the shareholders again, this time, March 31st, 1971. His message is very short. He said that things ain't quite what they expected. In the previous report they were trying to stop the nickel consumers from buying too much. He seemed
to be saying, "Hold it fellows, just hold it". Now he complains that there is a "softness in demand". Softness means that they are not buying so much.

The softness in demand is a reflection of the lower levels of business activity throughout the world. It seems customers have adopted a policy of reducing their inventories. This is because they recognize their orders for nickel can be met promptly.

But, says Mr. Wingate, the economic experts tell us the demand for primary nickel and rolling mill products is expected to rise in the near future, as the general level of business resumes normal patterns.

So in 1970, Inco had the highest profits in history. The demand was tremendous. They increased the price of nickel. But by March 31st, 1971, they say business isn't so good in the U.S.A. There is a softness in demand. By November of 1971, while noting business is bad, they expected to see an early improvement in the nickel market.

But hold on! You will remember Mr. Wingate said there was a softness in demand since the spring of 1971. But production wasn't cut. Inco's board chairman explains it this way: "The Company has been producing nickel substantially in excess of sales since the spring of this year in order to build inventories to meet a possible surge in demand and to be in a position to satisfy customers' needs should there be a loss of production connected with next year's labour negotiations in Ontario".
What does all this mean? First they increase the price of nickel. That has nothing to do with the good of the people, or anything else. They get a buck where they can get it. They knew a few months ago that sales were dropping, but did they lay guys off at that time? The hell they did! They took on more men. They continued building up their inventories in case production was cut off as a result of negotiations with the union.

Do they recognize that the name of the game is "power"? You bet they do. Our management people at Falconbridge and Inco can claim they are victims of the economy. These guys help to make the economy! They decide whether you are going to produce more or produce less. We have it right from the chairman of Inco reporting to his shareholders. He says they are building stockpiles of nickel in case there is a strike.

He's worried like hell about his customers? Or is he worried that he would have stuff to sell in order to make profits?

What about Falconbridge? They are no different. I suspect Inco and Falconbridge are closer than a man and his mistress. They are just that tight together. I am sure Falconbridge is the junior partner. We have to recognize that is the name of the game, the same as companies do. The fact is they are all the same. There is no difference. It is just that some have learned to cover up a bit better than others.

So companies have power. It is important to remember that, because the result of the contract negotiations struggle is to a large extent, dependent on the balance of power — the relative power at the time.

How much do we have compared to them — in terms of power? How much harm can we do them, compared to how much hurt they can inflict on us? Who can suffer more; who can take more? What determines the outcome of the struggle, is who is strong enough and can hold out longer.

That doesn't mean we want to hold out. It doesn't mean we want to suffer. But we have to show we can, if necessary. We have to show that if necessary to do battle with them, we have the determination, the unity, the strength and the confidence — to win!
THEY, TOO, HAVE ALLIES

But the company isn't alone. They have allies. When they are in a fight they can count on the big insurance companies to cooperate with them. In '69 we had a hell of a time with the insurance companies. We had to keep our members covered with life insurance. We had to keep up their hospital coverage. In fact, the union had to go all over the place to borrow money. The insurance companies said, "If you don't pay, you'll be cut off". So to keep up these benefits for our people, we had to cough up the dough.

The companies have other allies. For example, most mortgage companies are willing to wait a month or two for their dough, but after that they start putting the squeeze on. The mortgage companies aren't really worried the buildings are going to fall apart. If they are demanding their dough, it may be because their social friends and allies are telling them to put on the squeeze.

Sometimes they will tell you in confidence they want to be neutral, but they are friends of Mr. So-and-So. They don't want to do anything to hurt his feelings! Usually, they say they are in business and have to do this. The fact is they are big creditors — natural class allies of the company.

In addition, the law is on the company's side. When you are on strike you are obviously unemployed. But you don't get unemployment insurance. That's the law. As a matter of fact, if the company locks you out, you still don't get unemployment insurance.

The law is on the company's side when it comes to picketing. Lots of workers have problems with their picket lines in a strike, as we did in 1969. Court injunctions are part of the law that is sometimes used against workers on strike.

And who enforces these laws? The police and the courts. They are allies of the company, too, willing or unwilling.
And of course, the biggest allies of any company are other companies. The biggest ally of Falconbridge is likely Inco. Big Brother — the muscle-man who is expected to give real support in time of need.

Let's look at this Falconbridge-Inco situation for a moment. Both companies produce the same metals. They are rivals on the world market. In hockey, you could almost compare them with sharp competitors as the Canadiens and the Maple Leafs. They are both in the same league. They're rivals too. When you see those opposing teams on a Saturday night, you sometimes think they are going to kill each other. The opposing players are really serious. They want to win so badly they don't stop short of drawing blood.

But the owners especially are out to win. A winning team gets bigger gates. People are more willing to pay five or ten dollars for a seat in the arena. In short, there is a lot of dough involved in professional sports for the owners, and some of the players.

The owners of the Canadiens and the Maple Leafs will battle one another for first place. They are the bitterest of enemies.

But there is one time they will get together. That's when there is a threat to both of them. If the players get together and organize a union to get better salaries and pensions, it is wonderful how the team owners get together and become buddy-buddy. They really do. Whereas in most cases, they are bitter enemies, they become allies when it comes to facing a common enemy.

It's the same with the companies. They have a certain rivalry which they call competition. Sometimes it does not seem to be very tough competition. One company seems to have its main markets in one part of the world, and the other company in other parts. In some areas, or with some of their products there may be a degree of rivalry for markets, but I get the impression they avoid getting in each others way by playing in different leagues. But competition or not, when it comes to advancing their profits, they think alike.

Who is their main problem with regards to profits. It is you guys. The more you get out of them in wages, the less return they get for their
product. Then, the only way they can increase profits is by boosting prices. They don't mind doing that, as you noticed. But it may be an additional problem for them.

Make no mistake: when it comes to the question of dealing with labour, these two guys are alike. They are no longer rivals. The fact that they are both in Sudbury makes it easier for them, although we mustn't believe all the plans and discussions are held in the Nickel Belt. Some discussions are held in New York, Washington, Chicago, maybe Toronto, or even in Bermuda on somebody's yacht.

Of course these two seem to agree to pay the same basic wage. Maybe they agree that if one of them gets into trouble and has a strike and has a pressing problem supplying customers, the other will fill in for him and won't raid those customers.

They also seem to have another deal: to have the same general labour cost, the same fringe benefits, by and large.

We have no proof of that; sure as hell they don't write it on a piece of paper for us to see. They're supposed to compete. But hell, I'm told you've had twenty-eight or more years experience seeing this happen, year after year!

If you saw a young guy walking into a hotel with a girl at midnight, then coming out at two o'clock in the morning brushing his clothes, and paying her some money, you would begin to wonder. But if we saw him do it the next night, and the night after that, you would begin to suspect that he wasn't just going in for a glass of beer. When there is a certain pattern of behaviour it leads us to certain conclusions.

If year after year, after year, we find that on basic questions such as wages and fringes they amount to about the same thing throughout the industry, it is not likely to be an accident!
WE CAN MAKE A DIFFERENCE

Does that mean the situation is hopeless? Does it mean there is nothing we can do to change the situation, particularly when we bear in mind that the company we work for is the junior in the deal? You could come to that conclusion. But in my opinion, that would be wrong thinking.

Let’s look at what happened in 1969. The Inco guys were on strike. Falconbridge said to us, openly, “Don’t you go on strike; work! Why should you guys go on strike? When they settle at Inco, whatever they get, we’ll give you. Just to show you our good faith and that we are nice guys, we’ll give you some of it right now, even before the contract expires”.

The company offered us a down-payment of twenty-five cents an hour in wages. In some ways, it was tempting. The company said, “What the hell, it has always been that way before, why should it be any different now?”

We discussed their offer and then we went before the workers. We said “Tell them to shove it”. That’s what we said. That’s what the workers voted on. 92 percent voted not to accept the Falconbridge offer; they voted, instead, to go on strike.

It wasn’t a question of us getting more than the Inco workers. It was a question of them being on strike, and with our going on strike, we strengthened the whole camp of nickel workers. We presented a solid front to the nickel bosses, so that both Inco and Falconbridge workers would get more.

And brothers, we will never know what would have happened if we hadn’t gone out. There is no way you can turn back history and start over again. But everything indicates that is exactly what happened — we both got more. Both Inco and Falconbridge workers gained the highest basic industry settlements in Canada that year.

It is true in Mine Mill we got more than they did at Inco — some six or seven cents an hour more. Some gains we made in the first year of the contract, they had to wait until the third year. Inco workers also had to repay the company money the company had paid out for hospital and medical insurance during the strike. We managed to negotiate our-
selves out of most of that, in the last week of our strike, after they had gone back to work.

In addition, we got other things they didn’t get, some of which cannot easily be counted in cents per hour. As one example, we didn’t concede that the strike period would be deducted from our seniority, or vacation credits, or pensions, etc. That is valuable to Mine Mill people. The Inco-Steel Agreement does include such an unfortunate provision. And there appears to be other non-monetary improvements we accomplished that they did not. I know the big majority of our members were very pleased with those results. I don’t blame you. But that is not the main point I’m making. In my view, even if you hadn’t achieved better than they, both groups — you in Mine Mill at Falconbridge and they in Steel at Inco — both groups got a lot more than they would have, if you had not gone out on strike when they were out in 1969. Your action added to the total power of the workers in that fight in this Sudbury Basin — and put both groups in a stronger position in dealing with the companies.

Nevertheless, we have to recognize that to break through the solid front of the employers in this district on such highly critical issues as, for example, the minimum basic rate, even by one cent, is very difficult. I’m not saying it’s impossible. But on easily recognizable critical items like the rate of Job Class #1, it will be tough to break through to different rates. In our 1969 struggle, we recognized that fact of life. We decided that since the Inco workers were on strike and were determined, our responsibility in those circumstances, was to strengthen the whole strike front, not only for their sakes, but also for our own sakes. We recognized that it would be good for our Inco brothers and good for us. It would also be a big assist in beginning to heal some of the very deep wounds of all the raiding years of agony, division and bitterness.

In summary, therefore, of this part of our remarks, I merely want to emphasize how in your future rounds of negotiations, we must always keep in mind that what counts is power — the relative power of the two sides. We must examine and understand how best to unite our ranks so as to bring the maximum of power to bear in our struggle, and to keep in mind that this should peak at the most important time. Able leadership, strong participation by all parts of the leadership, including especially stewards, building the strength of the members from the time when demands are first formulated, all the way through the struggle. This should also include building the support of the families of our members and of course, creating the best possible co-operation with our main allies, the other unions in this area, and particularly the Inco workers.
OBJECTIVE FACTORS

All of the things I have said up to now regarding building power by strengthening our own ranks can be referred to as the *subjective forces*. That is, mainly the people in our own leadership and the members. Without their understanding, their strength, we have very little indeed in any serious struggle. These are ourselves and the people to whom we are supposed to give leadership. It follows that if we work properly, honestly, wisely, in a planned way, and courageously, we can do a tremendous amount to give us the maximum possible power.

Nevertheless, I must draw to your attention another set of factors that are very important when you try to estimate the balance of power. In sharing my thinking with you up to now, I have no doubt indicated something of this already. For example, when I referred to the power of the company.

Our power in relation to that of the other side comes not only from what I referred to as the subjective forces, the members and leaders of the union.

It also comes from what can be called the objective factors. For example, the state of the economy generally. Is it on the upgrade or the downgrade? The industry — does it look like more nickel (and your other products) will be required, or less? The stockpile of the company — is it built up high enough to withstand a long stoppage, or not? The labour situation — are there lots of people unemployed and anxious to get work in our industry, or is there a shortage of workers in our kind of industry. What are the trends in the labour movement generally, and particularly with regard to struggles and settlements?, etc., etc.

This is the other big aspect of the question of power which every leadership worth its salt must do its best to know and keep tabs on. Most of these things develop outside of ourselves. With some exceptions (for example, the matter of stockpiles) there is not too much we can do about *objective conditions*. But it is of tremendous importance for leaders to study these things, to know them, to keep tabs on them. If they don’t, they’re not worthy of their positions of leadership.

In this talk to this group of stewards, I’m not developing this question...
of the objective factors, since I regard the main problem now as having
to do with the subjective factors, as we move closer to the time of
preparation for the next negotiations. But I feel compelled to make
some scant reference to this whole bundle of questions having to do
with objective factors. Hopefully, it can be developed more fully at
some future time.

THE OTHER GUY
— AND UNITY

I want to deal a bit more with the
question of you and the Inco
workers. I know this is a sensitive
question and a touchy question,
but I'm going to tell you the way I
see it.

Let's put it this way: A certain
guy is living next door to you. It's
not fully known what you are
fighting about, but you don't get
along. You could be fighting about
real things. He may have moved
his fence over to your side two
feet, or he may be using your
driveway. His land may be six in-
ches higher than your land so that
when it rains the water runs off his
land on to yours. And his dog
bites your kids, or craps on your
lawn.

You don't want to have anything to do with the guy. You may think
he is the worst son-of-a-bitch in the world — and you may be right. And
if his house catches fire, you may think, "I hope he burns".

You may think that, but I doubt it. You'd probably want to help him.
But even if you didn't give a damn about him and secretly hoped he
would burn, you are still going to help him put out the fire, because if
you don't, your own house is in danger.

It's as simple as that. If we had let those Inco guys down in 1969, we
ourselves would have been in serious danger. Don't forget the com-
pany said, "We'll give you the same as the Inco men get". If they lived
up to their word, that's what we might have got.

That's all the company promised. We'd get the same as them. If they
had the you-know-what beaten out of them, that's what we would
likely have had. Anyways, that's what your company would have tried
to do to you. So if the guy next door is burning, even if you don't care
about him one bit, even if you are operating just to save your own hides, you are going to help. You have no alternative. You are part of the same situation.

Those are the facts of life, brothers. It doesn't mean we have to become buddy-buddy, but we do have to realize we are natural allies when it comes to facing the common enemy. It doesn't mean we have to join his union, or his club, or that he has to join our union, or our club. What it does mean is that you have a common enemy, even though you have differences of opinion. We have to work together as best we can, and argue out our differences some other time.

Men who won't face that are not thinking, or for some reason, they would rather have workers split and fighting one another. Just think for a moment: Who else wants workers split and fighting one another? Who would have gained in 1969 if the workers of Sudbury had been split and fighting one another? Both companies would have gained.

We must never forget the only power we have comes from our ability to unite and work together. What else have we got? You may be a good-looking guy, but you can't rely on your looks to make a living. All we have is our ability to get together, work together and, confront and fight the employer together. If we haven't got that, we have nothing. The lessons of labour history, will tell the same story. It doesn't matter whether they came from Europe, Cape Breton, the West or Northern Ontario, those who have lived through it or studied it, all understand this question of unity. Workers move towards unity the way a flower moves to the sun.

It's a perfectly natural thing for workers to understand this question of unity. Actually, people who want to keep us separated are trying to do something that is unnatural and harmful to us. They are trying to blot out the sun. For our own reasons, as workers, we have to move in the direction of co-operation. We have to do what is necessary.

The important thing to remember when you are entering a fight is that you need allies. Allies increase your power. And where power decides the issue, only a damn fool will make an enemy where he could make a friend.

It takes good, able leaders to make friends and allies in a common fight. I hope we are capable people. I hope we are the kind who don't work to make needless enemies. We have a big enough enemy in the company. Working together with natural allies may not decide everything, but it does go a long way towards that end.
LEADERSHIP AND THE DEMANDS

Right now we haven’t got unlimited time. We have to get on with the job and get into the first stages of preparing our contract demands. In connection with this, the leadership of the union has the responsibility of drawing up a proposed programme of demands. They are in the best position to know what the situation really is. They then ought to come before the members and say, “This is what we think the union should demand.”

The union membership has the right to discuss and change it. But the leadership has the responsibility to draw it up and bring it before the members. I don’t think the leadership should try, or be allowed, to pass that responsibility to anyone else. It is their responsibility to sit down and draw things together. Then, let the members kick the programme around, discuss it, and change it where necessary.

It is quite wrong to say, “Everybody will draw up the demands.” Then you will have a real hodge-podge. You will have no sense of direction. Many will tend to put forward their own pet beefs or projects. That is an abdication of leadership. If leadership is not to lead, then what is it for?

Now I should wind things up. I have tried to share my thoughts with you as to the main elements in the fight; to advance some of my views as to what negotiations are about. You can answer the questions of where profit comes from. You know what the decisive things are — of linking up discussions, working out of tactics, of building power among our membership. Of the need to look at objective factors, too. You know some of the answers to the problems of the special role of stewards in the fight to build that power, so that we have the morale, the discipline, the unity, the sense of common direction.

You know the importance of seeking allies, and the importance of leadership. So let us get on with it. Let’s see if we can’t make the upcoming set of contract negotiations the best ever.

And let’s keep track of what happens this time too. We never know it all. None of us. We must keep right on learning. Each struggle we are in
can teach us something. And as we learn we can be better equipped for the next struggle of the workers for improvements. Under the present system we can never get a full return for all we produce. Our job is to give leadership to the workers in their efforts to get the maximum obtainable now and in the future. Thank You.

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