

Management vs Labour = Govt Intervention

By ELIZABETH SMITH

Until a few months ago, Bathurst was a prosperous and growing city. The population growth rate was forecast at 15 per cent per decade. The average weekly wage was reported as \$119.99 in 1970, the second highest in the province, compared to the national average weekly wage of \$126.77 the same year. Confidence in the city's further growth is indicated in the opening of two new shopping malls for the small (pop. 16,400) city.

In the past few months the situation in Bathurst has radically changed. Seven hundred working men have been laid off since early December with at least that number again to be out of work by the end of February. The situation is critical, not just for the 1400 families directly affected, but for the service industries that have sprung up in the area. The NB Federation of Labour predicts a net cost to the province in excess of \$36 million in the next three years if the problem is not solved immediately.

The Federation of Labour puts the responsibility for the crisis in part on the industries involved for poor management, but in bulk on the federal and provincial governments for lack of economic planning and short-

sightedness as to the future of the pulp-and-paper and mining industries in the world markets.

The lay-offs in the area were initiated by Consolidated-Bathurst Limited, which is in the process of reducing their labour force by 320 employees. The production of speciality linerboards and sulphite market pulps will be discontinued and woodland operations will be cut back. The manufacture of kraft pulp and semi-chemical corrugating medium is to be continued.

The Company's Vice-President, Manufacturing, J.B. Sweeney, said the change was necessary because of heavy operating losses at the mill. The company reported a loss of \$1.1 million on sales of \$250 million in the first nine months of 1971.

"The prospects of dramatic improvements in process or markets that would salvage the situation in the near term just do not exist," continued Mr. Sweeney.

The international market for many paper products is poor. There is an excess of paper and paper producing plants, while there is a decrease in the consumption of one of the most lucrative paper products, newsprint, due in part to the recycling of newsprint by major newspaper groups. However, the demand for paper is still great and the problem appears to be basically the need for being competitive in the search for new markets.

Eric A. Love, manager of the Consolidated - Bathurst mill,

says the company is trying to penetrate the European market, and was making overtures to Pakistan which have been disrupted by the recent political difficulties.

The Federation of Labour recognizes the international problems in the paper industry, but blames the federal government for the current crisis in it's irresponsible attitude to the international situation. In a recently released brief the Federation says:

"The federal government shares a large part of the responsibility for the worsening situation. Rather than helping existing mills to modernize and meet competition, large grants have been allocated to the construction of new mills. Proctor and Gamble Co., for instance, has received a federal grant of \$12 million to build pulp facilities in Alberta. Another company, Rayonier of Canada, may soon be guaranteed grants totalling \$40 million from the federal and Quebec governments to build a large textile pulp mill in Quebec.

"The necessity of new, modern mills is not in question. If new mills are not built in Canada, it is likely that they will be built elsewhere in North America. However, given the overcapacity in the industry, pulp and paper unions stress the view that new enterprises should be built only if it is not feasible to modernize an existing facility. In this case the new mill should be located near the site of the one being phased

out. Further, to the extent that the government provides financial assistance there should be a public equity feature. In summary, the unions believe there should be more concern with saving jobs rather than simply creating new ones; they would also like to see an end to cash giveaways."

There has been some speculation in the press and among the workers in the Bathurst mill, one of the company's eight pulp and paper mills in Canada, might eventually close completely. The mill has been allowed to deteriorate to such an extent that both labour and management say that modernization would be unfeasible. Much of the modern machinery has been moved to the Company's branch in Grand Mere, Quebec.

Mill manager, Eric Love, says, "The company is not interested in losing the asset we have but we have no crystal ball. We'll stay as long as the market holds up." It is expected that a work force of about 500 will continue to be employed.

The company is negotiating with the unions to provide early retirement or separation pay programs for about 190 of the 320 men laid off. The others are entitled to the new Unemployment Insurance Benefits which initially pays two-thirds of the unemployed person's last salary. Many families have not yet received cheques owing to them since early December according to union representatives. They

blame the new computer system in Moncton for the delay.

Nigadoo River Mines announced recently that it was closing indefinitely with a loss of 300 jobs to the Bathurst area. The Company announced that it was losing \$70,000 a month and after examination of the books, union officials confirmed this figure.

About 248 employees, members of the United Steelworkers of America, had been on strike against the company since October demanding wage equity with similar jobs in the area. Union members felt they were personally subsidizing the plant by accepting lower wages. Union officials insist that the strike did not affect the plant's closure.

Mr. Ed Leverett, a Steelworker's official, said, "We asked the company if they would take the men back even at the same rate of pay as before, which was low; but the company said there was no way to take them back."

An attempt was made by the union to subsidize the company through DREE grants for an on-the-job-training program, and although this was agreed to on the provincial level, it was rejected by the federal government.

East Coast Smelting and Chemical Co. Ltd is closing down for a period to phase out its zinc operation and allow the smelter time to convert to a lead only operation. One factor in the company's decision to cease refining zinc is the rise in the price of coke from \$30 a ton to \$46.

The layoff is expected to effect about 280 employees, some of whom will be rehired when the conversion is completed.

In their recent brief the N.B. Federation of Labour calls for federal funds to build a modern zinc refinery. A refinery using electricity would remain competitive in the market.

Gorton-Pew Ltd. fish-processing plant, the largest employer in the town of Caraquet for twenty-five years, is for sale. The company plans to consolidate its operations at its plant on the Magdalen Islands which can supply the plant with all the products it needs.

Caraquet Mayor Lorenzo Morals says that he fears if a buyer for the plant is not found soon the operations will close, resulting in the loss of 280 jobs.

Also involved in the massive layoffs in the Bathurst area are Anaconda American Brass Company in Gloucester County which is expected to close at a loss of 100 jobs and a layoff of about 375 employees at the Fraser mill in Atholville.

The brief of the N.B. Federation of Labour says the layoffs are "evidence of the lack of foresight on the part of both management and government leaders (federal and provincial). The brief continues,

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.....lists demands

(b) We propose that for the Forest products industry there will be no further mills built in Canada except within the framework of an over-all and planned development based on market requirements, resources and above all the continuing employment of the workers in the industry. We further propose that FOREST PRODUCTS MARKETING BOARD be immediately established to effect an equitable distribution of market possibilities during periods of economic slump. In that manner the closure of mills anywhere in the country can be effectively avoided.

(c) That the Federal Government immediately make available sufficient capital to build a new and modern ZINC REFINERY at the Belledune works. We demand that existing plans to refine zinc abroad be scrapped. We insist that there will be no further lay-offs at East Coast Smelting & Chemical Company and that those already laid-off be recalled.

(d) We propose that the Federal Government immediately announce its decisions regarding the establishment of a mine training program at Nigadoo River Mines. (This can be done without reference to above demand for special legislation to make the counties a SPECIAL AREA)

We also propose that a comprehensive plan for mineral development in New Brunswick be instituted immediately so that worked out properties can be properly phased out and new ones brought into production with the minimum of displacement of the work force. We most strongly urge that a MINES PRODUCTS MARKETING BOARD also be established that will serve the same purposes as mentioned above for woods industry products. This should similarly, be federal in scope.

5. The New Brunswick Federation of Labour stands firmly on the position that the working people of this

province must be given the fullest opportunity TO CONTRIBUTE TO THE GENERAL ECONOMIC WELL BEING OF CANADA. The investment of Federal funds in the above projects will provide an equity for all Canadian citizens in an ongoing, developing and healthy economy for our area, and provide the sinews that will ensure that all New Brunswick citizens can look to the future with hope and a secure knowledge that they will not have to suffer the terrible blights of enforced idleness. We insist that such a development must take place with proper safeguards against pollution and on the basis of avoiding any distorted and one sided economic development that has lead us to the present crisis. We will no longer accept the notion or the practise that either foreign or Canadian blocks of corporate capital will have the sole right to decision making and mastery in the economic field. Industry is to serve the needs of the workers and community and not just profits. We appeal to all citizens of good will to join with us in effecting the above program of action.

6. The Federation is laying the entire program outlined above before both the Provincial and Federal Governments this week.

7. We will provide an opportunity for the top leaders of both governments to meet the citizens of Northern and North Eastern New Brunswick to give their answers and decisions to the people here. This opportunity will be provided at a MASS RALLY FOR ECONOMIC SURVIVAL in Bathurst in the near future. Dates will be announced with in a few days.

8. Again we urge and appeal to ALL Citizens and sections of the community to support our struggle to END THE CRISIS AND AVERT DISASTER FOR ALL. WORDS WILL NOT SATISFY US WE DEMAND JUSTICE.

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