Sault Ste. Marie, Labour and the Social Economy: A Case Study

David Thompson B.A. (Hons)

May 2010
“...where there’s a need, the union comes forth and makes sure that need is fulfilled...I think that as long as there is a union, as long as we survive, we will ensure that we meet the needs that we see out there, whether it is a Hospice, Group Health Center, or Community Credit Union” Dave Pettalia (2009).
# Table of Contents

1.0 Background ............................................................................................................................................... 4

2.0 Methodology ............................................................................................................................................ 5

3.0 Literature Review ..................................................................................................................................... 6

   3.1 Social economy ....................................................................................................................................... 6

   3.2 Community Economic Development .................................................................................................... 7

   3.3 Union membership ................................................................................................................................. 8

   3.4 Labour and the social economy ............................................................................................................ 9

4.0 Research Findings ..................................................................................................................................... 11

   4.1 Building social assets to enhance health and well-being ...................................................................... 11

      4.1.1 Group Health in Sault Ste. Marie ................................................................................................. 11

      4.1.2 Community Hospice in Sault Ste. Marie ..................................................................................... 15

   4.2 Skills development and building community capacity ........................................................................... 17

      4.2.1 Training provided to local trade unionists .................................................................................. 17

      4.2.2 Training and the spillover effect to the community .................................................................. 20

   4.3 Primacy of person and work over capital through capacity building .................................................. 22

      4.3.1 Partners in building community capacity .................................................................................. 22

      4.3.2 Empowerment of women ............................................................................................................ 26

   4.4 Creating equity and debt capital for community investment ............................................................... 27

      4.4.1 Trade union impact on Sault credit unions ................................................................................ 27

      4.4.2 Worker-ownership of Algoma Steel ............................................................................................ 30

   4.5 Democratic decision-making and political advocacy ............................................................................ 31

      4.5.1 Political development of labour in Sault Ste. Marie ................................................................... 31

      4.5.2 Labour and the New Democratic Party ....................................................................................... 31

      4.5.3 Democratic decision-making and participation ......................................................................... 32

      4.5.4 Advocacy for workers and communities ..................................................................................... 32

      4.5.5 Global solidarity and the Steelworkers Humanity Fund .............................................................. 35

5.0 Conclusions ............................................................................................................................................... 36

Appendix 1 - Interview Questions .................................................................................................................... 39

Bibliography ...................................................................................................................................................... 41
1.0 Background

Sault Ste. Marie has been the home of a strong labour movement since the 1940s. In 2009, the Sault Ste. Marie & District Labour Council (SSMDLC) celebrated its 50th anniversary of providing a collective voice and action on issues of concerns to workers. The Labour Council serves as the “Voice of Organized Labour” in Sault Ste. Marie and District of Algoma and is comprised of delegates from all of the Unions in the city and surrounding municipalities. SSMDLC strives to promote the interest of their affiliates, advance the economic state of the community, and to promote social justice for all workers and their families, both working and retired (SSMDLC, 2009). The SSMDLC also ensures that labour has a voice in the community of Sault Ste. Marie by having trained personnel serve on local boards and committees that promote economic and social growth.

At the same time, labour’s role and contribution to the social and economic fabric of the community has not always been appreciated. In summer 2009, the Northern Ontario Research Development Ideas and Knowledge (NORDIK) Institute approached the Sault Ste. Marie & District Labour Council to conduct a research study on the impacts of Sault Ste. Marie trade unions on the social economy of Sault Ste. Marie.

NORDIK is a community-based research institute which grew out the Community Economic & Social Development (CESD) program and is a joint project of the CESD program and Algoma University. NORDIK works closely with community partners to ‘promote more vibrant, caring and sustainable communities through research, dialogue, analysis and reflection dedicated to the practice of holistic community development’. NORDIK’s research approach is to work with the community to develop research questions, analyze findings, and build the community’s capacity to conduct its own research. NORDIK’s interest in this project was also piqued by the opportunity to conduct research on the social economy, an area in which researchers at NORDIK and Algoma University have been engaged in conjunction with a number of other universities and community groups, through the SSHRC-funded Linking, Learning, Leveraging project (Centre for the Study of Cooperatives, 2009).

The purpose of this project is to explore the nature and extent of labour’s involvement in the social economy of Sault Ste. Marie, as a way of celebrating and making more visible the major contribution that labour has made to the City of Sault Ste. Marie.

David Thompson, a community-based researcher employed by NORDIK Institute, led the research project under the direction of Dr. Gayle Broad (PhD). Upon approval by the SSMDLC, Amie Harnish, an undergraduate summer student of the Community Economic and Social Development program at Algoma University, and Al Fraser, a PhD candidate of Laurentian University also provided some assistance in the data collection.
The author of this paper is one of the recipients of the *Emerging Leaders in the Social Economy Research Scholarship Program* sponsored by the Canadian Social Economy Hub (CSEHub). This program is intended to promote original research by emerging leaders in the Social Economy that will advance knowledge for the sector, and further the capacity of successful candidates to strengthen the Social Economy in their academic and practitioner sectors in Canada. The scholarship provides scholarships of up to $3,000 per recipient towards salary replacement, national/international travel, or other actual costs of conducting research and producing a research report for publication by CSEHub.

### 2.0 Methodology

The research project began with the formation of an advisory committee comprised of a cross-section of representatives from trade unions in Sault Ste. Marie. These representatives were referred by Gary Premo, president of SSMDLC. Committee members included one representative from the Canadian Union of Public Employees (CUPE), two representatives from United Steelworkers (USW), and one representative from Communications, Energy and Paperworkers Union of Canada (CEP); of these representatives there were three men, and one woman. Two of these representatives were from the Italian and Francophone communities respectively, and have held leadership roles in the labour movement in Sault Ste. Marie. The group was able to contribute greatly to the direction of the research.

During the initial advisory meeting, four goals were established for the research project:

1. Establish the nature of trade unions’ involvement in the social economy
2. Establish the extent to which trade unions have contributed to the social economy
3. Identify opportunities for future participation by unions in the social economy
4. Raise awareness within the community of trade unions’ involvement, opening the door to potential partnerships with community groups

The final research design used the following data collection methods: a literature review, archival research, and eleven individual interviews with a diversity of past and present labour activists.

The literature review was conducted using the key words: trade unions, labour unions, social economy, social change, and community development. In addition, collections from archives in Wishart Library (Algoma University) and Sault Ste. Marie Public Library were sought to develop context. These collections included *The Sault Star* (a daily newspaper), *The Algoma Unionist* (a monthly labour newsletter), and the Clarence S. Dungey Fonds at Wishart Library.

The qualitative study included individual semi-structured interviews with executive officers of the SSMDLC, union employees that were recommended by the advisory committee, and other
activists within the local labour movement. The persons identified were telephoned to request their participation in the qualitative study. In addition to the eight interviewees referred by the committee, four interviewees were identified through snowball sampling by interviewees. The interviews were recorded, transcribed, and analyzed using grounded theory.

This case study was intended to explore the contribution of organized labour to the social economy in Sault Ste. Marie. The overarching research questions established were:

- What is the nature of trade unions’ contribution to the social economy in Sault Ste. Marie?
- What is the extent of that contribution?
- Were these efforts expended only to meet the community’s needs, or have they been instrumental in changing the lives of trade unionists and transforming the community?
- Did the movement leaders have a vision for transformation, or were they simply responding to trade union members’ directions?

For a list of research questions used in individual interviews see Appendix 1.

3.0 Literature Review

The bulk of literature focuses on the roles, varieties, and future of unions, with an emphasis on the history and future of trade union organizing and membership. Literature on the social economy and community economic development were included in the review. Also, literature that related trade unionism to the social economy was explored. Only literature that was available in English was reviewed.

3.1 Social economy

The definition of social economy is constantly changing. Traditionally, economic activity and organizations are divided into or belong to three sectors:

- The government or public sector
- Industry and for-profit business (private sector)
- The non-profit sector (also called the third sector, or social economy)

Today, these sectors’ boundaries are becoming more elusive. These sectors are now known for swapping practice, language, and strategy. Non-profits are starting up businesses to support their social goals, and businesses are adopting social and environmental goals to support their profit-making. Government programs are now developing partnerships with other sectors and developing entrepreneurial strategies (Institute for Social Entrepreneurs, 2009; The Business Link Business Service Centre, 2009).
According to the Canadian Community Economic Development Network (CCEDNET), the social economy includes: “social assets (housing, childcare, etc.), social enterprises, cooperatives, equity and debt capital for community investment, social purpose businesses, community training and skills development, integrated social and economic planning, and capacity building and community empowerment. The social economy is being created by community organizations (cooperatives and non-profits) and social enterprises that generate both social and economic benefits” (CCEDNET, 2005).

Human Resources and Skills Development Canada (2009) states that: “the social economy is a grass-roots entrepreneurial, not-for-profit sector, based on democratic values that seeks to enhance the social, economic, and environmental conditions of communities, often with a focus on their disadvantaged members.” It is clear that the social economy encompasses volunteer efforts, but it also includes a transformative approach to building skills and a community’s capacity. The social economy can be identified by distinct values, which include democracy, empowerment, equity, and having a social mission.

The Canadian Social Economy Hub (CSEHub) states that “The social economy consists of association-based economic initiatives founded on values of: Service to members of community rather than generating profits, Autonomous management (not government or market controlled), Democratic decision-making, Primacy of person and work over capital, and based on principles of participation, empowerment” (CSEHub, 2009). This definition does not put a structure (coop or non-profit) around the social economy, but instead focuses on underlying principles.

Where the social economy differs from that of the private sector is in the value of service to members of a community rather than generating a profit for individual wealth. It is clear that the social economy has a broad spectrum of values, goals, and activities. This observation is best summed up by the CCEDNET (2009): “The social economy is a continuum that goes from the one end of voluntary organizations to the other end where the economic activity (social enterprise) blurs the line with the private sector.” Since the social economy remains in this continuum it remains difficult to define.

### 3.2 Community Economic Development

CED draws from different disciplines and is based on a set of values that ground the work in a vision of transformation. The definition of CED is broad, and can be typified as development that is “focused on people, employment, self-employment, inclusion and sustainability,” and as a “community-led, multifaceted activity or strategy which seeks to improve the social and economic circumstances of a population” (Toye and Chaland, 2006, p. 27). The work of CED is grounded in local self-sufficiency, decision-making, and ownership through a community-based approach. According to Rupert Downing, past executive director of CCEDNET, CED is “the
initiatives and activities of community-based organizations to create both social and economic opportunities in their local areas, particularly for those people who are most disadvantaged” (Rupert Downing Interview, 2009).

CCEDNET (2009) defines CED as an approach which recognizes that economic, environmental and social challenges are interdependent, complex and ever-changing. For CED practitioners to be effective, solutions must be embedded in local knowledge and led by community members. CED has emerged as an alternative to conventional approaches to economic development. It is founded on the belief that problems facing communities need to be addressed in a holistic and participatory way (CCEDNET, 2009).

Loxley (2007) suggests that community economic development may be used by communities for either ‘gap-filling’ or ‘social transformation’. The approach of gap-filling is to “address pressing social issues in decaying urban centres and in troubled rural and remote areas, further stimulating both CED practices and the discourse around it” (Loxley, 2007, p. 9). This approach is when communities stimulate CED practice to fill the gaps or address the problems caused by capitalism. The transformative approach is different as it promotes CED practice as an alternative to capitalism for organizing the economy and society. CED then becomes a vehicle for participation, democracy, and opens possibilities for organizations to develop new partnerships with the state (Loxley, 2007, p. 9).

3.3 Union membership

In Putnam’s (2000, p. 81) analysis of work-related organizations in America, union membership has had a consistent pattern of decline since the mid-1950s, like other community-based and religious organizations.

“Although unions, like other voluntary associations, have often been plagued by oligarchy, apathy, and corruption, historically they both created and depended upon social capital – that is, networks of reciprocity. By the end of the twentieth century, however, this once central element in the social life of working Americans had virtually vanished. The solidarity of union halls is now mostly a fading memory of aging men” (Putnam, 2000, p. 81).

Putnam alleges that a portion of the decline in unionization is due to a changing economic structure from manufacturing to a knowledge-based economy but labour economists charge that union decline is in large part due to changes in public policy, such as the antistrike policy introduced by the Reagan administration. Kaufman and Kleiner state that “virtually all the decline in unionization between 1977 and 1991 seems to be due to decline in demand for union representation” (Kaufman, B. and Kleiner, M., 1993, p. 118). Labour economist Peter Pestillo observed that “The young worker thinks primarily of himself. We are experiencing the cult of
the individual, and labour is taking a beating preaching the comfort of coalition” (Putnam, 2000, p. 81).

Prof. Pradeep Kumar (2008) of Queens University reveals that Canadian union density peaked in the 1980s at 38 per cent, falling below 30 per cent in 2007. While unionization in the public sector has remained high, decline in private sector density has been widespread. Based on Statistics Canada data, three-quarters of the membership growth over 1997-2007 is accounted for by the public sector, particularly where women account for a substantial share of employment (Kumar, 2008). According to Quarter, Mook, and Armstrong (2009), “This change is due in part to increased unionization among part-time and non-permanent workers and the expansion of unionization into the service sector, which is dominated by women.”

Kumar and Murray (2002) conducted a survey for the federal department of Human Resources and Social Development on innovation and change in Canadian unions. The survey indicated that unions are devoting considerable efforts and resources to improving rank and file communications, increasing member education and training, and to enhancing the representation of new social identity groups within their structures. However, the survey also found that unions are less likely to engage in coordinated political action, to implement activist servicing, or to radically change their organizing strategies and targets. The survey revealed that only about one-half of unions, mostly large unions, consider organizing a priority (Kumar, 2008).

### 3.4 Labour and the social economy

Quarter, Mook, and Armstrong (2009) state that unions are mutual associations in which members have common bonds, and they work together to achieve goals of mutual interest. The authors label mutual interest as solidarity, “which is a hallmark of unions in that their members are expected to help each other in their struggles with employers and governments” (p. 184). They elaborate that union locals focus on member needs (business unionism), and the umbrella organizations, such as the Canadian Labour Congress or municipal Labour Councils engage in activities that address broader social issues. Quarter, Mook, and Armstrong (2009) state that “even though the focus among unions is the pay and working conditions of their members, they do address broader social issues and provide support for other related civil society organizations” (p. 184).

**Social or Business Unionism:** According to Quarter, Mook, and Armstrong (2009), business unionism focuses on pay, benefits, and conditions of work of their members. Social movement unionism instead focuses on broader social issues beyond the work place as a means of challenging the operation of the market (Fletcher and Gaspasin, 2008). Kumar and Murray (2006) speak of ‘social unionism’ as an intersecting point between social movement and
business unionism to characterize unions who adopt some of the more innovative strategies, but remain very much integrated into capitalist production.

**Community unionism:** Cranford and Ladd (2003) conceptualize community unionism as occupying the centre range along a continuum of community organizing and union organizing. Community development is work aimed at empowering people from oppressed groups to bring about change, “in their lives, as women, as immigrants, as people of colour and sometimes as members of the working class” (Das Gupta, 1986). Empowerment can be defined as the feeling that one has the capacity to affect change (Ladd 1998, p. 13). Community unionism is based on processes of empowerment and community development practice to build community capacity and strengthen the labour movement.

**Labour and the social economy in Sault Ste. Marie:** Labour activists have made significant contributions to the social economy in Sault Ste. Marie: perhaps most notable, was their creation and development of the Group Health Centre, recognized by Romanow (2002) as a ‘jewel’ in the crown of Canada’s Health care system; credit unions; and their most costly effort to date, the purchase of Algoma Steel Inc. in 1992. The worker ownership of Algoma Steel in 1992 was explored in detail by Quarter (2000). Gayle Broad (2000) explored the goals, benefits, and challenges of worker ownership, and developed recommendations for improving the levels and quality of participation. Linda Savory-Gordon (2003) identified the spillover effects of increased workplace democracy at Algoma Steel on personal and community life.
4.0 Research Findings

Five social economy themes have been identified from the findings, which explore the impact trade unionists have had on the social economy in Sault Ste. Marie. These themes include:

- **Building social assets to enhance health and well-being**: The need and development of the Group Health Centre and the Algoma Residential Community Hospice by local trade unionists.
- **Skills development and building community capacity**: The contribution of skills development among local trade unionists and the observed spillover effects on the community.
- **Primacy of person and work over capital through capacity building**: How local trade unionists have addressed poverty reduction through community capacity building with the United Way of SSM, Algoma Community Legal Clinic, Community Services Committee, and the Unemployed Workers Help Centre. In addition, investigating how trade unionists have empowered women in the community to address broader social issues.
- **Creation of equity and debt capital for community investment**: Trade unionists have been involved with raising equity and debt capital through creating two credit unions and organizing the worker ownership of Algoma Steel in 1992.
- **Democratic decision-making and political advocacy**: Trade unionists have demonstrated democratic decision-making within union locals and within umbrella organizations such as the SSMDLC and Canadian Labour Congress. They have also been strongly aligned with the New Democratic Party on many issues. Trade unionists are strong advocates for workers rights and health and safety. Trade unionists have also experienced building global solidarity through international funds and exchanges.

4.1 Building social assets to enhance health and well-being

4.1.1 Group Health in Sault Ste. Marie

The local trade unions’ commitment to health and community well-being is embodied in the Group Health Centre. The Centre was developed from a need for affordable health care, and a focus on people. The Centre manages itself autonomously, in contrast with other dominant models of care provision. It has been community-led from the start to its current incarnation with a Board made up of trade unionists and other community members that use the centre.
The need for a Group Health Practice

“there was a problem with getting access to doctors and the leadership of the day said ‘no, there’s got to be a better way’, and they found it, through the Group Health Centre” (Pettalia, 2009).

Opened in 1963, the Group Health Centre was envisioned, researched, funded and fought for by Steelworkers in Sault Ste. Marie. Prior to the Centre opening, accessible and affordable healthcare in Sault Ste. Marie was an issue for Steelworkers as well as for the community at large. Prof. Glenn Wilson, a consultant for the Centre, stated that, “physicians’ care was not readily available in Sault Ste. Marie, especially at night, on weekends, and holidays...extra billing by physicians was common; and the cost of physicians’ services exceeded insurance by 25%” (Sault Ste. Marie Group Health Centre, 1983, p.12). A need for affordable healthcare was apparent and the Centre was built to meet the need. Jack Ostroski Jr., a veteran member of United Steelworkers (USW) and a current Board Member of the Centre, states “at that time the benefits at Algoma Steel didn’t cover everything, we were just getting into employer paid benefits” (Ostroski Jr., 2009). Even though the Steelworkers had options for healthcare, they needed a better model to meet the needs of their members. Ostroski Jr. (2009), states:

“If we operated almost like a co-op centre to assist our members, then we could get affordable healthcare. So after doing all the research, they came up with this model of opening an association where the people who contribute to the Group Health Centre would be a guaranteed one, a doctor, better health care, and better service. And that was the driving force.”

The model the founders came up with was based on a number of co-operative principles incorporating democratic governance in a mutually beneficial way:

“1. Community sponsorship through a Board representing the people who use the Centre; 2. medical group practice; 3. non fee-for-service payment; 4. partnership between the Association as users of service, and the Medical Group as providers of service” (Sault Ste. Marie Group Health Centre, 1983, p. 12).

This model enabled democratic decision-making at the Board level through community sponsorship. It also de-emphasized whereby doctors would be dedicated to quality care of their patients rather than a quantity of daily patients (McBrearty, 2002). The interdisciplinary model of health care offered by the Centre, using a wide variety of health professionals including...
nurses, physiotherapists, counselors and others, has been credited as a model of innovative, comprehensive and cost effective health care provision.

**Gathering of Support for Group Health Centre**

A committee chaired by researcher Ted Goldberg from the USWA National office in Toronto, set a plan in motion to look at the feasibility of group health practice in Sault Ste. Marie and Hamilton (Lomas, 1985). Included in the committee was the late John Barker, an Area Supervisor of the national USWA and an unsuccessful Co-operative Commonwealth Federation candidate in the federal election in 1952 (Lomas, 1985). Barker was given the task of organizing the community effort for the Centre. The committee travelled to learn how group health practice functions in the United States. One committee member, Les Woodcock, recalls:

“All I was really eager about it then. I think there was only one person who was more convinced or more converted than I was and that was John Barker... Once we came back from this Philadelphia trip, we knew that that was the right way to go” (Lomas, 1985).

In 1959, Bill Mahoney, the National Director of the Steelworkers expressed to Barker that Sault Ste. Marie would be the ideal location to establish a health program, which could then become the model which others could copy (Lomas, 1985). Under the leadership of Barker, union Locals 2251 and 5595 canvassed their membership to gather ideological and financial support for the development of the Group Health Centre. Bill Mahoney stated that Sault Ste. Marie was chosen to open the Centre because the community had a strong, united and energetic Local (union), not only because of its high concentration of union members and its geography.

In October 1959 all steelworker locals attended a two-day information session which diagnosed current problems, surveyed solutions, and convened working groups to settle on a strategy. They adopted the following resolutions:

a) that the Local Union undertake to develop a new comprehensive health program at the Sault;

b) that the program start with Local 2251, then extend to other USWA local unions and ultimately be made available to the community as a whole; and

c) that a committee be appointed to plan the development of the new program (Lomas, 1985).

Steelworkers were canvassed to make a one-time contribution which went towards the construction of the building and the purchase of needed equipment. A committee of fifty

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1 USWA locals 2251 and 5595 both represented hourly workers at Algoma Steel Corp. They later amalgamated into 2251 in 1992.
people from the union Locals went door to door to convince members that the community could change health care delivery and how it is financed.

“This dedicated group of visionaries convinced 5,000 citizens\(^2\) to give $135 each for a total of $675,000 to build the Group Health Centre. Three of every four families canvassed became sponsors of the centre, which remains a record for community participation in the development of similar facilities unequalled in North America.” (Sault Ste. Marie Group Health Centre, 1983, p. 13)

The organizational efforts of this committee had an overwhelming community response. The leadership gave workers at Algoma Steel an alternative to the dominant choice of an indemnity insurance plan carried by Prudential Insurance Co. Of America; 3,785 selected the Group Health Centre alternative and 1,391 chose Prudential. (Sault Ste. Marie Group Health Centre, 1983, p. 13) Steelworkers successfully gathered the funds, support and medical staff required to open the Group Health Centre.

**Extension of the Group Health Centre to the community**

While initially the centre served only steelworkers and their families, the long term intention was to benefit the entire community. Currently, Jack Ostroski Jr. sits on the Board with three representatives from the Steelworkers, along with other members of the community. Ostroski Jr. (2009) states,

“That’s how the community actually benefitted from the work of the steelworkers, is that now it’s open to the community. There’s still a problem with lack of doctors, but I mean, it’s a model there for anyone to use, and everyone in the community has had the opportunity to join the Group Health Centre.”

The Centre is not without its problems. Even though it offers comprehensive services to over half of the members of the community, it also has a waiting list of over 3,000 area residents who want to get in (Hawaleshka, D., 2004). However, the Centre does respond well to the needs of the community with over fifteen preventative care programs and services (Group Health Centre, 2009). Also, it has regular fundraising efforts to ensure that patients have access to new equipment. Don Jones, Steelworker and past vice president of the SSMDLC states,

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\(^2\) The citizens mentioned were union members. None outside of USWA contributed.
“the unions still contribute to the Centre, they run a little lottery, a fundraising thing, and they’ll launch special drives for a piece of equipment - colonoscopy equipment or breast screening devices, so it’s ongoing” (Jones, 2009).

These fundraising efforts assist the Centre in its ability to meet the needs of its members. In addition, the Centre’s innovative technology to maintain patient records is recognized nationally.

“Group Health's file-searching capabilities have improved treatment for diabetics and helped cut hospital readmissions for congestive heart failure by at least 30 per cent, says Dr. Lewis O'Brien, a family doctor and the lead physician in the electronic data project” (Hawaleshka, D., 2004).

The Centre functions with an active and long standing community involvement. The project was led by community members and now a community Board ensures that the Centre serves community needs. The Group Health Centre has been an empowering process for the Steelworkers who have had a part in its development. The majority of those interviewed stated that the Centre was one of the most important local projects that have impacted the social economy of Sault Ste. Marie.

4.1.2 Community Hospice in Sault Ste. Marie

The local union’s commitment as a functioning partner in the Sault Ste. Marie social economy can be identified in the development of the Algoma Residential Community Hospice. The development of this valuable social asset was brought about by networking, a strong willingness to serve in a supporting or partnership role, fulfilling a community need, and demonstrating a commitment to place.

The need for a community hospice

The Algoma Residential Community Hospice (A.R.C.H) developed out of a need for an alternative for those who do not want to live their final days in a hospital, and whose families cannot afford the services to keep them at home. Union Local 2251 was instrumental in fundraising with this community-driven project, which was led by a dedicated group of volunteers and a community board. As labour raised the profile of the hospice, the community understood what social and economic benefits the hospice would bring. The hospice gives families an option, which may be looking after family member at home, but cannot give them the full support needed. A.R.C.H values their patients by giving them care that caters to their needs and lifestyle so they can feel at home.
“Initially mentored by the Group Health Centre, Algoma Residential Community Hospice was founded in 1999. Since then, and directed by a 12-person community board, a group of volunteers have worked to bring the dream of a ten-bed residential hospice to reality” (Algoma Residential Community Hospice, 2009)

Helen Ross, the Executive Director of A.R.C.H. states “we know that 90 percent of Canadians prefer to die at home but often there just isn't the resources for the family to deal with it right up until they die” (Ross, 2009). A.R.C.H. fills this need in a peaceful homelike setting, respecting the dignity of those they serve.

Involvement by Labour to fundraise for the hospice

The hospice was a registered charity that had secured government operational funding, conditional on the hospice being up and running by a certain date. Fundraising proved to be problematic, as potential donors to the hospice had already made multi-year funding commitments to Sault Area Hospitals. It was nearly impossible for A.R.C.H. to raise the funds required, so they sought the help of local MP Tony Martin. Martin, of the NDP, took a personal interest in the success of the hospice, and brought the issue to Steelworker Jack Ostroski Jr. and the Labour Council.

“Tony Martin was interested outside of his political office. He was interested in seeing our hospice happen. He had introduced me to Jack Ostroski [Jr.] and then I got to meet Mike Da Prat and all the fellows at the Union Hall. So they have all been very good advocates” (Ross, 2009).

USW Locals 2251 and 2724 donated heavily towards the building of the Hospice. The SSMDLC also hosted fundraisers and helped to promote the $50.50 Campaign. They held a fundraiser event that was “a dinner for the Irish Ambassador as a way of sort of getting people involved and we had it at the Union Hall, which they [USW] provided for us without fee” (Ross, 2009). The $50.50 Campaign sought $50.50 from every family in Sault Ste. Marie.

“we knew that not every family would [donate]. ... a great number of their members did, and gave us that fifty dollars. They did fundraisers for us. They had spaghetti dinners, a Christmas event for children. So they have been involved in that capital campaign, and also I find that a lot of their members promote” (Ross, 2009).

Labour Council and the union Locals were instrumental in raising the profile of the A.R.C.H. through the campaign. Ross (2009) states, “that was a really essential part ... that people in the community understood what we were trying to do.” The Hospice also has economic benefits to
the healthcare system. Ross (2009) explains, “we are appealing to government at the moment … we are a good economic option because we can keep somebody here in a private room for about a third of what they can keep you in a ward bed in a hospital.” Also, given that the Hospice does not require a great deal of equipment and technical expertise, it can save further costs.

Labour Council representatives canvassed their membership to gather support for the hospice, and through their efforts the necessary funds were raised and the hospice was built. Helen Ross feels that the role of the Labour Council was critical to the construction of the hospice. Ross (2009) states, “they came on and really helped us promote this $50.50 [campaign], not only for the money but for raising the profile of what we were doing. They played an essential part in us being here.” The working relationship between the Algoma Residential Community Hospice and Sault Ste. Marie labour representation is just another example of how the entire labour network can fill a vital role in the Sault Ste. Marie and area social economy.

4.2 Skills development and building community capacity

Skills development has not only transformed the lives of trade unionists, it has also increased the community’s capacity to direct change. The Local 2251, the largest union Local in Sault Ste. Marie, was influential in organizing training initiatives in the early 1980s and adjustment programs during the period of restructuring in 1992. After major layoffs, Steelworkers had the opportunity to gain university degrees, and be more competitive for finding employment. The SSMDLC had training initiatives that focused on leadership development, which included topics such as health and safety, negotiation and facilitation, and management.

4.2.1 Training provided to local trade unionists

Training provided to Union Local 2251: The provision of training is a benefit to members of trade unions, and has been a clear objective for unions in Sault Ste. Marie. According to Joe Leclaire, a steelworker from Local 2251, training was available to him as a steward in 1954.

“They brought in some guys from an education department in Toronto to train them on the new laws, what was taking place and basically the job of a steward of a department. The Steelworkers to me were more advanced than anyone else when it came to training people to come into the ranks, and we had a lot of guys from the Sault that went up” (Leclaire, 2009).

Training is a long-term investment in the lives of members, since it creates opportunities for advancement. The steelworkers of Local 2251 have had training opportunities in many different aspects of the workplace. According to Gayle Broad (2009), a union member of Local 2251 in the 1980s, trade unions use their discretionary funds not only for strike planning, but also to
“educate their members about various topics - it might be about diversity, it might be about negotiating, it can be health and safety. So it might be a topic that’s very workplace related in terms of negotiating a good contract.”

Gary Premo, member of Local 2251, states:

“we do a little more training around workplace change and organizing. We’re already organized, we pay union dues, but to keep your members active, informed and aware of the conditions we face, we do probably three training sessions a year around that” (Premo, 2009).

Training was also extended to address human rights concerns in the workplace. Tom Bonnell (2009) recalls, “this native fellow came to me and he was being targeted by coworkers with racial slurs and jokes...he complained before and nothing had been done.” As a result of Bonnell’s inquiry into past disputes, he was able to come up with a satisfactory resolution with Michael Lewis. According to Bonnell (2009)

“I understood now it wasn’t just this fellow, it was all throughout the plant; the more I thought about it, these guys were great guys I used to work with, and people would fool around and call names and it never seemed to bother them, but when I started thinking back on it I realized it did bother them. They went into their shells, they became reclusive, they moved away from people, and that’s not right.”

Local 2251 implemented a companywide policy on human rights and harassment. As a result, 8,000 employees took human rights training (Bonnell, 2009). Bonnell looks back on this as the greatest accomplishment of his life.

Training does not only enhance opportunities for advancement; it also helps to keep members active in their unions. Training in health and safety, organizing, and diversity are a benefit to all workers to increase their job satisfaction, and can make a significant contribution to the community outside of the workplace (Savory-Gordon, 2003).

**Basic literacy training:** Literacy and upgrading programs in basic education were also offered to workers who could not read or write English, or who needed improvement. The Ontario Federation of Labour (OFL) pioneered one such program called Basic Education for Skills Training (BEST), which was implemented at the local level at Algoma Steel for the benefit of local workers. The training was primarily for workers whose first language was not English, and some of whom had immigrated to Sault Ste. Marie and began work in a time when educational requirements were not stringently imposed.
“...that sort of training, what you call soft skills, [what that did was] it allowed them to not be ‘pigeon-holed’ on their jobs, to have the confidence to...apply for other jobs...they could read the [job] posting; just imagine that, some people couldn’t read or even speak English...[As you go up the ladder, the line of sequence, you have to know different jobs as you go up- so those skills helped them make more money, be comfortable in the work environment, read a newspaper, find out what’s going on in the world, plus be able to be trained adequately to do all the jobs up the line of sequence” (Ostroski Jr., 2009).

After these programs were in place, workers developed the skills they needed to advance in the workplace, and the company also developed alternative practices, allowing workers to complete tests orally.

**Higher education training in period of restructuring:** The extent of training union members receive has impacts on their lives and the greater community. The opportunity for retraining in the trades and higher education has been available through the efforts of union lobbying in times of recession. In early 1992, approximately four thousand workers were laid off from Algoma Steel. Don Jones (2009) recalls, “I co-chaired that program [Canadian Steel and Trade Employment Congress], we had $6 million from the federal government and we could use it to provide support for going back to school.” Union representatives worked with the government to develop a meaningful retraining program, giving workers the opportunity to attend university or college and obtain a degree.

Prior to this, government programs were aimed almost exclusively at helping workers achieve a grade 12 education or a short term training program through a community college. It was recognized that this would not be useful to workers at Algoma Steel, as the majority had already obtained a level of education equal to or greater than what was being offered. Jones (2009) states, “We were the first, they call them ‘adjustment programs’, where there are big lay-offs in an industry - we were the first ones to send people to university.” Since industry had shifted its educational requirements, it was necessary for workers to get a post-secondary education. Union lobbyists convinced the government of the need for and benefit of funding higher education for unemployed steel workers. Union lobbyists succeeded in giving workers choice in education, between Algoma University College, Sault College, or Lake Superior State University in Sault Ste. Marie Michigan.

This training was necessary for workers to be competitive in the job market. Trade unions involved played a role in recognizing the changing economic climate, and coming up with a response to meet needs of workers. The training that was acquired in this period has continued to benefit the community’s economy – some of the workers became teachers at secondary
schools and the local college, others moved into private business, while others used their newly acquired knowledge and education in a wide variety of community organizations.

**Training to unions of SSMDLC:** Training and work experience in facilitation and negotiation skills, interpersonal skills, management skills, education delivery skills, and public administration skills are all available to the membership of all of the affiliated Locals of the SSMDLC. The Sault Ste. Marie & District Labour Council has had similar attitudes towards training union members from other unions through the OFL and CLC. Don Jones (2009) states that, “Labour Council has been very good at making sure that those courses are being brought into Sault Ste. Marie and that the workers have access.” Gary Premo, the President of SSMDLC and a member of Local 2251, states:

“We still send at least one person a year to leadership development training. We’re very heavy in health and safety training, in occupational disease, and workplace injury (WSIB [Worker Safety Insurance Board]). That’s where most of our training is with all unions” (Premo, 2009).

Even though sponsorship of labour council delegates to leadership training is limited to one person a year, most of the local unions also sponsor members to take courses. In any given year, many labour activists within the community may obtain training on a wide variety of topics, though health and safety is one of the key areas. Similar to the training of Local 2251, the SSMDLC offers training that enhances job satisfaction.

**4.2.2 Training and the spillover effect to the community**

**Training spillover to the community:** The trade union movement has contributed to the local community’s social economy through the education of trained and experienced labour activists. Research participants had received training in a wide variety of areas and developed skills which were highly transferable. These skills included: interpersonal skills, conflict resolution, advocacy & facilitation, as well as training to become trainers themselves. Trade unionists were invited to use their skills in meeting facilitation; others used newly developed leadership skills to head up committees or coach sports teams.

Dave Pettalia, a local Sault Ste. Marie labour leader credits the training and experience in facilitation gained in union sponsored education experiences. Pettalia (2009) states,

“As a member of that task force I was trained in facilitation skills, and I have taken those skills and brought those out to the community. I did some volunteer work for the legion, and I was a facilitator for ‘Building an Extraordinary Community’ in Sault Ste. Marie, for the Education Council specifically and as a facilitator for other councils if I was required.”
Pettalia also served in various capacities on the ASCU Credit Union Board, an ex-officio member of the Group Health Board, and President and Board member of the United Way of SSM.³

Training was identified as a key element to participation within the community; several participants recalled stories of trade unionists that experienced an increased confidence after training, propelling them forward into new roles which previously would not have been considered.

“These people that have been trained, the one I thought of right away, got his job back at Algoma, operated a store, employed kids, students... now he’s a union activist, and very heavily involved in the community...I believe had he not received that training, there was no initiative for him to get involved either with the union or with the City. Now he’s actually thinking of running for Alderman” (Ostroski Jr., 2009).

In this example, someone who was trained was given the confidence to start a business, and went on to take leadership roles. Denis Desjardins (2009) states, “The fact that they’re capable of sitting on boards is due in large part to the training that the union has provided to them.” The training union members received gave them an impetus to increase their involvement. As a result of the training, Sault Ste. Marie is more competitive with a highly skilled workforce. Don Jones (2009) remarks:

“I think any project that people would have in mind, they wouldn’t hesitate to come to Sault Ste. Marie because of the level of expertise of the workforce here, and I think unions are an integral part of that, because if you don’t have unions you tend to work at a lower standard.”

Training is important to companies, organizations, and by extension the entire community. Union members contributed through leadership roles or in partnership arrangements with private, public, and other co-operative or not for profit organizations in the community.

Training spillover to families: While training varies from union to union, there is a common thread of equipping members with the skills necessary to be successful in their positions as labour activists. In the case of the United Steelworkers Local 2251, this came to include a wide variety of interpersonal and management skills during and after the worker-buyout of Algoma Steel in 1992. Savory-Gordon’s (2003, p.190) examination of ‘spill-over’ during this time indicates that these skills have transferred into personal and family relationships. Jack Ostroski Jr. (2009) states, “I think it helps in the family, also helps in the community, and to be involved, whether it’s your church, volunteering to raise money, the service groups, I think people just

³ Building an Extraordinary Community was a collaborative initiative in the early 1990s of Sault Ste. Marie residents, government, and community based leaders and organizations tasked with defining priority issues in the community – addressing root causes and developing solutions.
become more comfortable with themselves, you know to get off your ass and get out there, and help, right?” Equipping people with basic literacy skills and enabling them to obtain higher levels of employment has residual benefits to families.

Many women have developed skills and have benefitted from experiences as a result of their involvement with trade unions. Training given to women helped to develop their ability to be effective leaders in union organizing. Gayle Broad (2009) states, “it can also really encourage women to [again] take leadership positions within the trade union movement by training them how to sit down with management. You know, just learning how to be comfortable in what is sometimes an adversarial position” Trade unions began sponsoring training workshops for women, equipping them with the skills to negotiate contracts, lead committees, and participate in politics.

“in a general broad term you find that women tend to kind of want to work things out comfortably, and when they don’t work out comfortably they don’t necessarily have the skills to be more assertive and to be more confrontational, and so it was really important that the unions provide that kind of training to their employees” (Broad, 2009).

Trade unionists developed a higher degree of confidence and responsibility in their new roles.

**4.3 Primacy of person and work over capital through capacity building**

At the core of any union lies solidarity; early trade unionists were workers without job security. They could be fired for any reason or none at all. They performed hard or dangerous work for low wages, and cost-of-living increases had not yet been dreamt of (Heron, 2008, p. 117). They worked long hours in often brutal conditions with no vacation days to mitigate; taking time off when sick meant losing pay and risking one’s employment. Retirement meant the loss of a person’s only source of income (Ferris, 1978, p. 20-21). These workers realized that the only bargaining power they had was in their unified voice. Acting in solidarity, unions have shaped the culture of our society and brought about changes that are often taken for granted, including: a 40 hour work week, sick leave, vacation time, and health and safety laws for all workers.

Labour has played an active role in the social economy of Sault Ste. Marie and area through partnerships within the private, public, and social economy sectors, in efforts to reduce and eliminate poverty. These partnerships include the United Way of Sault Ste. Marie, the Algoma Community Legal Clinic, the Community Services Committee of the SSMDLC, and the Unemployed Workers Help Centre.

**4.3.1 Partners in building community capacity**
United Way of Sault Ste. Marie: The Sault Ste. Marie United Way is one such organization and how it was founded speaks to the verification of labour being an active component of the social economy. The labour connection to the Sault Ste. Marie United Way dates back to 1956 when a citizens group representing labour, business, industry, social agencies, and others were tasked by the City of Sault Ste. Marie to set up a United Fund for all charitable and welfare purposes (Smale, 1956) The Welfare Federation of Sault Ste. Marie, a provisional committee was established to set up a permanent organization that would coordinate the work of the health, welfare, and recreation agencies of Sault Ste. Marie in a single united campaign to be conducted annually. Members serving on the provisional committee included the President of Algoma Steel Corporation; the President of Great Lakes Paper; an International Representative of the United Steelworkers of America; the President of Local Union 2251-United Steelworkers of America; and the President of the International Brotherhood of Pulp, Sulphite and Paper Workers. The Welfare Federation of Sault Ste. Marie, Korah and Tarentorus, (name changed to United Appeal Services of Sault Ste. Marie in 1965 and then to United Way of Sault Ste. Marie in 1979) was incorporated by Letters Patent dated March 4, 1957 (Corporation of the City of Sault Ste. Marie, 1957). Labour was named as a founding stakeholder and had a seat on the provisional committee. Labour representatives had the skills and experience to function on an equal footing with other community leaders from the public, private, and social economic sectors.

It is quite common for Labour Council board members to hold seats on the Board of the United Way, to chair campaigns, to participate on committees, and have frequently held the President’s position. Gary Vipond, current Executive Director of the United Way, sees a similarity in both goals and values as being fundamental to this:

“Both groups are committed to strong, active, safe and respectful communities; both groups envision a human and responsive human service system within each community. So we certainly work hand-in-hand to achieve those goals, and that is the reason I am sure that the partnership is so strong and has been so effective, because we are working to achieve the same things, the local labour movement has been very good in supporting community and building our community and that is what United Way does as well” (Vipond, 2009).

The United Way of SSM has 23 member organizations in Sault Ste. Marie, and funds over 50 programs in Sault Ste. Marie as they line up with the United Way’s mandate. The United Way currently has four key priority areas, which often overlap: youth, employment, health and poverty (Vipond, 2009). Programs and initiatives tend to meet the most pressing needs of those in the community who otherwise would have nowhere to turn. For example, the Community Assistance Trust program provides one-time emergency help to those who find themselves
unable to meet their expenses. This can be medical needs, rent, utilities, or any unmet need. The Trust most often has made the difference between survival and defeat for those on the edge of absolute poverty (Vipond, 2009). Other programs aim to improve the quality of life for people living with disabilities. The programs of the United Way deliver employment support, improve recreational and educational services, and operate programs to prevent and address homelessness and poverty in Sault Ste. Marie.

**Algoma Community Legal Clinic:** The Algoma Community Legal Clinic’s (ACLC) mandate is to provide free law services to people with low incomes. ACLC’s lawyers and community workers offer advice, advocacy and representation for people with low incomes.

The ACLC began through the efforts of trade unions during the recession of the early 1980s to address the needs of large numbers of unemployed workers displaced by global restructuring and the introduction of technology. The SSMDLC started up an “Unemployed Workers’ Help Centre” to provide counseling and job preparation, as well as a gathering place. At the same time, the Steelworkers of Local 2251 began gathering data to support the need for a fully funded permanent legal clinic in the area. Dr. Gayle Broad, a former employee of the legal clinic, recalls the history of gaining support for the legal clinic:

“...prior to the first board of the Legal Clinic, they had to have resolutions from...different trade unions and the Labour Council to demonstrate to the government that there really was this support for it... prior to actually getting the Legal Clinic started up there was a project” (Broad, 2009).

This project consisted of gathering statistics and records of people who accessed the assistance of a temporarily-funded service over a period of two years. This information allowed the ACLC to successfully obtain funding for a permanent legal clinic in the Algoma District (Broad, 2009). More than two decades later, the community continues to benefit from the work of the legal clinic. There are three areas in their mandate: poverty law services, public legal education and community development. Community development includes working for legislative reform and organizing subsidized and nonprofit housing. It has become increasingly apparent that the high rates of occurrence of landlord-tenant issues were a reflection of inadequate affordable housing in Sault Ste. Marie (Broad, 2009).

Without the clinic, most of its clients would be unable to retain the legal counsel they require to address the challenges they face. Typically, the legal advice sought includes social assistance and disability benefits, tenancy issues, Employment Insurance, human rights, and criminal injury compensation (Algoma Community Legal Clinic, 2009). Broad (2009) recalls,

“You would have people that couldn’t access any money. They lost their housing, frequently lost their families because families would have to go
Thompson 25

somewhere else, live with parents or grandparents, whatever they would have to do, so those cases were huge differences in peoples’ lives.”

Broad (2009) estimates that the legal clinic has contributed millions of dollars that circulates in the local economy. The contribution of labour and Legal Clinic employees has served to prevent an increase in extreme poverty and homelessness in Sault Ste. Marie. This contribution has strong implications for increasing overall health and well-being. There is strong evidence that supports a relationship between socioeconomic status and health outcomes (Scott, K., 2002).

Community Services Committee of the SSMDLC: In the early 1990s the Community Services Committee of Local 2251 was set up to have an ongoing presence in the community. The committee was a result of the 1990 strike, when there was a community need for assistance for food, medicine, clothing, and heat. John Ostroski Jr. (2009) states, “I remember one of my friends had three children that were on insulin, high cost. We assisted them, and that was all through donations.” This Committee continued its work in the community through the creation of a lottery, and has been running ever since. The lottery is an ongoing support to the Group Health Centre Trust Fund and Sault Area Hospitals Fund. Ostroski Jr. (2009) states, “we probably give between twenty to forty thousand dollars to each group at the end of the year.”

Today the committee remains active by providing a portable, inflatable fun carnival at low cost to community groups as a way of supporting their fundraising efforts. Dave Pettalia, treasurer of the Committee, states that “those organizations can use them to raise money for their events or their particular causes, and we rent that out at a minimal cost and again we do that for the community” (Pettalia, 2009). The organizations include school groups, the Rotary Club, and others. This effort is supported in part by a lottery paid into by several unions, with proceeds also going to support the Sault Area Hospital and Group Health Trust. Payroll deductions at the hospital, the Group Health Centre, Essar Steel, Tenaris Algoma Tubes, and the PUC have contributed to support the lottery and fun carnival. Pettalia (2009) states, “it’s mostly supported by union personnel and the managers of those organizations. So this is something that we bring back to the community.” The lottery has been recognized as one of the best things that Labour has been doing for the community in recent times.

Unemployed Workers Help Centre: During the recession of the early 1980s Algoma Steel Inc. reduced its workforce from 12,000 unionized workers to approximately 8000. To meet the needs of the sudden swell of unemployed workers, Labour Council started up and operated an Unemployed Workers Help Centre, where community members could find assistance. The Unemployed Workers’ Help Centre was one of only a handful around the province of Ontario and provided a number of services which were not available elsewhere: resume writing, photocopying, fax services and help with job searches. The Help Centre also ran a free clothing depot, a forerunner to the Coats for Kids program, which provided winter clothing and boots. A
drop-in centre was established which offered informal counseling and support to those in need of it. In addition the Help Centre functioned as a referral service, compiling a database of available services in Sault Ste. Marie and assisting people with appointment scheduling.

Statistics were compiled by the Centre on how the services were being accessed, and the information was used to garner government support for the development of other service organizations still serving Sault Ste. Marie today, including the Community Development Corporation and the Legal Clinic. The Centre also established a close working relationship with the Soup Kitchen and in doing so was able to more effectively address the needs of the unemployed.

**4.3.2 Empowerment of women**

The women’s movement, although separate from the union movement, has been strengthened and supported by organized labour. In the early 1980s, unions in Sault Ste. Marie were mostly comprised of men; in part because of male dominated professions among steel working, pulp and paper manufacturing, and other industries. At this time, women activists were already educating the public about violence against women, and were at work creating services for women. These services included Women in Crisis, a sexual assault centre, and Phoenix Rising, a non-profit women’s centre and apartment complex (Broad, 2009). Some of the activists that led the creation of these services were also union members who became involved in the labour movement.

There was a shift that happened from the 1980s to the early 1990s in the local labour movement for the support of the women’s movement. As Broad (2009) puts it, “In the early 1980s, as everywhere else in Sault Ste. Marie, the Steelworkers union and labour council itself was not very supportive of women or the women’s movement.” There were however, a few women who were engaged in the trade union movement, and made a big difference in bringing women’s issues forward. Donna Crosson credits Gayle Broad, Ruth Galinis, and Sharon Graham as being instrumental in bringing women’s issues to labour council and the local unions. Crosson (2009) states,

> “they were very strong on wanting daycare at the conventions and affirmative action, which was finding a place for women on boards so that women had equal representation.”

In 1987, labour council elected Donna Crosson as the first women President, but representation was still very low. Crosson (2009) states, “it’s not been a long time that the women have been strong in the union movement, only since about 1987. I’d say about 20 years that the women have gotten strong within the union movement.” Through the influence of these labour activists, as well as through pressure from the OFL and CLC, local unions began to understand
and support women’s issues. Women fought successfully for childcare at meetings as a right and as a prerequisite for full participation by women in their union.

Change was slow, but today women know they have a place in their union, and their union stands with them. One labour activist recalls a defining moment in this change, when the Labour Council President at the time came out in support of a campaign about violence against women:

“...I thought well, I’m going to call up [Labour Council President] Dan [Lewis] and see if he’d be willing, you know, because I thought that would really send a message to the labour movement, and I called him up and the words were barely out of my mouth and he was saying “Yes!” you know, “when is it? ... I’ll be there”, you know so, it was just instant- he didn’t feel like he had to go to Labour Council and get a motion to approve him to go- he knew that that support at Labour Council would be there for him, so that was really a turning point- I thought, you know, 10 years ago that never would have happened. It just wouldn’t have happened in this city- so that was a real turning- and I think that was around 1994, ’95. So in that 10 year span there was a huge shift in people’s perspectives” (Broad, 2009).

So while pressure to support women came from activists in the women’s movement, once unions adopted a formal position to support women’s issues they became an invaluable ally. Women have strengthened the labour movement, and the labour movement has done the same for the women’s movement. The community benefits from the knowledge, skills and experience of such women. These are women who are active in politics, who lead committees and campaigns for nonprofit organizations. They head local unions and take part in fundraising and lobbying, shaping policy and enriching the fabric of the community.

4.4 Creating equity and debt capital for community investment

4.4.1 Trade union impact on Sault credit unions

The first credit union was founded in Quebec by Alphonse Desjardins in 1900. The credit union movement spread to Sault Ste. Marie and other parts of Canada since then (Dept. of Finance, 2003). Since 1948, credit unions have been a necessity in the lives of union members in Sault Ste. Marie. From the various unions of the Sault and district, two major credit unions emerged over time, Community First Credit Union, formerly Algoma Steel Credit Union (ASCU), and Northern Credit Union.

“Credit unions and caisses populaires are co-operative financial institutions owned and controlled by their members. Their ownership and corporate
governance are based on co-operative principles, and their main purpose is to provide deposit and loan services to members” (Dept. of Finance, 2003).

Credit unions have a democratic structure where every member is a shareholder, and as such is entitled to vote for board members and attend general meetings. The fundamental elements of democracy, solidarity, and the prioritization of people before profit were a natural fit for local unions.

Credit unions focus first and foremost on meeting the needs of their membership. The ‘people first’ emphasis has translated into a stronger community; individuals and small businesses have the financial support and guidance that they need; the local economy is strengthened; and people are empowered.

**Algoma Steel Credit Union:** The formation of Community First Credit Union started with the Algoma Steel Credit Union (ASCU). Algoma Steel Credit Union (ASCU) was founded by steelworkers for steelworkers in Sault Ste. Marie in 1948; steelworkers had realized that the big banks either would not loan to them, or would do so at such high rates that loans became inaccessible to the average home.

“In the case of ASCU, which is now Community First, it was necessary at the time, and I remember as a child, my father was complaining about Household Finance, their rates were 20% at a time when there was no other availability of cash for members, so a need was there, and that need was filled by the employees through their cooperative process” (Pettalia, 2009).

Banks often had stringent qualification standards, hidden fee structures, and low interest rates on savings; a credit union on the other hand was tailored to the needs of its members. A credit union could offer loans and mortgages at low interest rates, a better return on savings and investments, and dividends were returned to members when profits were made.

According to Joe Leclair, a former treasurer of the SSMDLC, ASCU began with the efforts of a priest, Father Benoir. In 1948, Benoir attended a seminar in Montreal on credit unions and came back to the area to share it with his parish in Blind River (Leclair, 2009). Shortly after, he was contacted by Dick Johns, the President of Local 2251 in Sault Ste. Marie to share his knowledge about credit unions. Eventually, labour leaders negotiated with their members and approached Algoma Steel to get payroll deductions for the creation of the credit union. Leclair (2009) recalls that, “they formed their own credit union, and they arranged for the old barns at the #1 Gate”, which was the ASCU’s first business office. The Steelworkers Local 2251 negotiated with the President of Algoma Steel and they formed their own credit union.

The provision of services to members results in a ‘recycling’ of membership funds.
“In this way, credit unions and caisses populaires play an integral role in local development by reinvesting their deposits and profits in the community as personal and business loans, mortgages and dividends paid on members' shares” (Dept. of Finance, 2003).

In 1981 ASCU opened to the community at large, changing its name to Algoma Steel Community Credit Union (ASCCU), and in 2005 opened to serve the province of Ontario, changing its name again to Community First Credit Union.

“ASCU, they went community wide, because you can’t stay too locked in, because a lot of the employees- they used to have eight thousand [members], but now they’re down to, what thirty-five hundred? So you can’t survive; and Community First is a viable credit union now” (Crosson, 2009)

While credit unions provide services that are responsive to its members, they are also more susceptible to regional or sectoral economic downturns. “Their assets are also more closely tied to the local economy than are those of other financial institutions” (Dept. of Finance, 2003). Credit unions are responsive to the needs of their membership, while also being aware of the state of the local economy.

**Northern Credit Union:** The Northern Credit Union was formed in Sault Ste. Marie and was influenced by local public union members. Northern Credit Union was inspired in part by the success of ASCU. At the time of Northern Credit Union’s inception, ASCU served the members of Steelworkers Local 2251 and was not open to the wider community. Public union employees were willing to take a payroll deduction to fulfill their need of affordable financial services, so that public and private employees and their families could obtain mortgages and loans at reasonable rates (Crosson, 2009). Donna Crosson (2009) recalls,

“you had the city (employees), you had the board of education, the hospital they said ‘well we want a credit union’, so a bunch of men got together, and started the Northern Credit Union. They got all kinds of pay roll deductions from the hospital and the city and the hospital and they built the Northern Credit Union”

Public service employees of Great Lakes Power, the hospital, and schools recognized the value that ASCU offered to its membership, and so they worked together to obtain a charter and open a credit union which could fill the need which had been exposed by ASCU’s success. Similar to ASCU, they sought payroll deductions to build the Northern Credit Union with employees from Great Lakes Power and the hospital. Since its beginning, Northern Credit Union has expanded into twenty-four communities in Northern Ontario, and still maintains its headquarters in Sault Ste. Marie.
In recent years Northern Credit has played a valuable role in the Algoma region by providing financial services to communities that are being deserted by banks, as the communities’ population, like many rural communities, decline in size. At least two rural communities, St. Joseph Island and Iron Bridge, have recently obtained the services of Northern after losing banking services, thus filling a serious gap (Dobrovnik, 2010).

4.4.2 Worker-ownership of Algoma Steel

The most significant investment ever made by local people in the Sault Ste. Marie economy, was by the unionized employees of Algoma Steel Inc, when they bought out the company, providing the company and the community with a second chance for life (Broad, 2001).

Economic turmoil in the early 1990s led to a crisis in Sault Ste. Marie when “Dofasco Steel announced on Jan 23, 1991 that it was writing off its investment in Algoma Steel Corporation, and Algoma, in response, announced that it was filing for relief from its creditors under bankruptcy legislation” (Broad, 2000, p. 28). In June 1991, the company released a business plan for a restructured company and the reduction of the workforce by 3,800 workers (Broad, 2000). A worker buyout was proposed in 1991 by the USWA, which was to be the largest worker buyout in North America. Over 7500 workers agreed to forfeit significant wages and risk their families’ financial security, in a successful effort to maintain the community’s future. Jack Ostroski Jr. (2009) states that,

“for every job that Algoma creates it creates four more in the community. Imagine if that place had closed in ‘92, that would have 24,000 spin-off jobs, this uh, you know the only other two big employers at that time were St. Mary’s paper, which was also bankrupt, our hospital, and obviously the city, losing 24,000 jobs this place would have been a ghost town.”

The provincial government provided $60 million in unconditional loan guarantees; $10 million was matched by the federal government in operating loans, and a worker adjustment program for retirees, as well as funding for training the current workforce. The province helped the worker takeover by quickly passing legislation necessary to allow the purchase.

The restructuring done in 1992 was a significant economic and social benefit to Algoma. Not only did union members restructure Algoma Steel to save jobs, they also saved pensions. The Algoma Steel unionized workers gave up their Benefit Guarantee Fund on the assumption that Algoma Steel would survive, in order to protect pensions for those 65 years and up. Dave Pettalia (2009) states that “2,900 people took a chance, saving jobs in this community, and risked $450/month to ensure that the pensioners would get their money.”
4.5 Democratic decision-making and political advocacy

4.5.1 Political development of labour in Sault Ste. Marie

The organizational structure of Canadian trade union groups is designed to function on the local, regional, national and international level. Sault Ste. Marie and district union Locals have lobbied for, participated in, as well as presented their agendas, projects, and ideas from a position of social economic solidarity. The political ideology and structure of the current Canadian Labour Congress and the Sault Ste. Marie and District Labour Council have evolved to what they are today through a progression of alliances, mergers, and assimilations of various labour and other socio-economic political groups, movements, and organizations. At the heart of the trade union movement is the Local, a local branch of union organization. Locals conduct their business or get things accomplished through use of committees that are comprised of active members of a specific Local.

Locally, unions have realized that to defend the interests of working people in a global corporate economy, they must also support one another across borders, building global solidarity networks. Local trade unionists have been building relations with unions in South America through the Steelworkers Humanity fund, which is an international development agency created by United Steelworkers.

4.5.2 Labour and the New Democratic Party

The Canadian Labour Congress (CLC), the Sault Ste. Marie and District Labour Council (SSMDLC), and the New Democratic Party (NDP), as organizations based on solidarity amongst the majority of the Canadian labour movement, were the products of a resolution of tension between industrial and trade unions, political factions, and special interest groups that had existed since the early twentieth century. In April of 1956, the tension was finally resolved when the Trades and Labour Council (TLC) of Canada and the Canadian Congress of Labour (CCL) merged to form what became known as “the parliament of Canada Labour”, the Canadian Labour Congress (Canadian Labour Congress, 2009). In 1959, as a result of a CLC charter, the Sault Ste. Marie and District Labour Council (SSMDLC) came into being. The SSMDLC is comprised of delegates from all of the unions in Sault Ste. Marie and its surrounding district and has a published mandate to serve as the “Voice of Organized Labour” for the Sault Ste. Marie and district area (SSMDLC, 2009). At a convention in Ottawa in 1962, the Co-operative Commonwealth Federation (CCF) was disbanded and forged an alliance with the unions of the CLC to form the NDP (Broad, 2009). The NDP is a political party based on solidarity between co-operatives, social justice activists, and labour groups like the SSMDLC.
Before 1990 unions could allocate funding to political parties to assist with hiring people during election campaigns. This legislation has changed federally, though in the province of Ontario, labour activists can still participate as union employees. Gayle Broad, a past president of the Ontario NDP was supported by the Steelworkers Local 8748 union to manage NDP campaigns, which elected NDP MPP Tony Martin in 1990, 1995 and 1999.

4.5.3 Democratic decision-making and participation

The committee system is based on democratic principles where individual committee members or committees can only commit funds or make decisions affecting the local at large with the authorization of the Local membership. The democratic principle of one member–one vote is basic to virtually all trade union administration and activity (Pettalia, 2009). Individual committees often petition or address City Council at municipal council meetings on private, public, or social economic issues or projects that their specific local feel need addressing. Representatives from a Local’s membership may also be elected to serve on area Labour Councils, which are designed to function on the local district area and correspond to public Municipal or Civic Councils (Krmpotich, 1978, p. 155). Elected Local members are also organized to serve on District or Provincial Federations, which are the trade union equivalent to Provincial Governments. At the national and international level, the current trade union Canadian Labour Congress (CLC) roles, mandates, policies, and administration can be equated those of the Canadian Federal Government (Krmpotich, 1978, p. 155).

4.5.4 Advocacy for workers and communities

“We fight for justice and dignity, whether it’s union or non-union members, so, if there’s an injustice occurring in your City, you should take action against it” (Pettalia, 2009).

Unions have been at the forefront of advocating in the areas of human rights and social justice for decades. Unions continue lobbying in their workplaces and at every level of government for legislation that reflects a concern for the well-being and fair treatment of all (Pettalia, 2009). Trade unionists from Sault Ste. Marie have often been leaders in the efforts of health and safety legislation, pay equity, minimum wage legislation, worker’s compensation, and employment equity. Unions have fought diligently against Free Trade Agreements and Public Private Partnerships (P3s) in health care, particularly hospitals (Pettalia, 2009). They have defended what many Canadians hold to be symbolic of

Drive2Work Campaign (Bonnar, 2009):
In 2009, the Ontario Federation of Labour organized the Drive2Work campaign, which sought to pressure policy makers to create good paying, secure jobs; and create equitable trade strategies that create jobs. At this event, workers were encouraged to share their stories, which were compiled through video and blogging. At this event, the Sault Ste. Marie Labour Council hosted a spaghetti dinner and fun carnival evening and sent delegates to travel with the Drive2Work caravan across Ontario. This campaign is a multi-scaled approach to advocacy that involves several union Locals across the province, advocating for broad reforms.
their identity: universal health care and a high standard of ethical governance. Union members not only lobby around these issues, but take these issues back to the community, educating in schools, workplaces and through media. Denis Desjardins, an active trade unionist and Steelworker states,

“... I think social change is one thing that the union is always fighting for, to the benefit of everyone, not just its members ... I don’t think that’s ever changed. They’re always looking for legislation that is going to improve the lives of their members, and what improves our lives also improves the lives of every person in the community in general” (Desjardins, 2009).

Research participants consistently voiced their understanding of labour unions as having an inherent commitment to the community. This can be evidenced by the many union members which are found serving on and chairing a multitude of committees, and fundraising for organizations in Sault Ste. Marie. This broad union participation in turn shapes the culture of the community, as the union’s values are brought to the table of a wide variety of organizations. One labour activist described union involvement on committees as a way of balancing interests:

“The union wants to make sure that its voice is heard and that working peoples interests are at the table- So I think that’s what motivates most people in the union, they want that seat there- because you can’t be on the outside- well you can. You can always criticize from the outside, but it’s way more effective if you can be on the inside and work toward change” (Jones, 2009)

This commitment is not isolated to Sault Ste. Marie, but extends as far as there is need.

**Advocates for health and safety**

“I looked at a picture one time of the first group of retirees from Algoma Steel; they were all old, old, old guys, and a lot of them had missing limbs from their years in industry, and you don’t see that now. You see younger retirement, a better pension, a better life ahead of them when they get out there” (Jones, 2009)

Local labour unions have been pioneers in health and safety programs through training, education and changes in workplace policy. The Occupational Health & Safety Act is the principal piece of legislation for workers rights. Don Jones (2009) states that, “A lot of locals negotiate certain safety protection, but it’s enshrined in the legislation, so I think that gives them an added bit of protection; right to refuse, right to know, right to participate - those basic rights are largely the result of union activists.” The provincial Act came into force on October 1, 1979. Its purpose is to protect workers against health and safety hazards on the job (Ontario
Ministry of Labour, 2009). The Occupational Health & Safety Act was the result of a Royal Commission to investigate health and safety in mines (Ontario Ministry of Labour, 2002).  

Lobbying and public education has been carried out by local unions, and much of Ontario’s legislation is drawn in part from these early programs. Pettalia states that Steelworkers lobbied heavily for holding private enterprise responsible for allowing workers to engage in unsafe work environments.

“they lobbied government for 10 years to say that ‘It’s wrong to have board members and company officials allow people to enter a known unsafe environment’, and that’s basically what Westray was. In that instance we finally got Bill C-45 pushed through the House. So now it holds board members responsible for things that occur in their respective industries. So, that’s a good thing, and it’s a major thing” (Pettalia, 2009)

The Local 2251 Steelworkers and Algoma Steel Inc. together forged a partnership to create a safer workplace, and served as a model within their own and other industries. Donna Crosnon (2009) states, “We had a health & safety program there that was a role model for a lot of Ontario; in fact across Canada. They had such a good relationship with Algoma Steel.” The Local 2251 and other Local unions have been heavily involved in educating their own members and the greater community on the Occupational Health and Safety Act. Denis Desjardins (2009) states:

“We’ve got all kinds of fantastic people who help not only their own people, but help anybody who has trouble with their employer. Not all employers are very straightforward or fair about things, so you need a spokesperson, you need someone to stand up for you who is knowledgeable about the act, and these people are knowledgeable.”

The Local 2251 union members educate high school students about health, safety and their related rights and responsibilities in the workplace. “A lot of students who were working summer jobs were getting injured because they weren’t aware of safety precautions; some employers didn’t bother to instruct them” (Desjardins, 2009) In an effort to equip those

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4 In 1974, Uranium miners in Elliot Lake became alarmed about the high incidence of lung cancer and silicosis, and they went on strike over health and safety conditions
entering the workforce, local trade unionists provided students with the information needed to prevent workplace injuries.

4.5.5 Global solidarity and the Steelworkers Humanity Fund

In Sault Ste. Marie, Steelworkers Local 2251 (USWA) are part of a global council of unions and stand in solidarity with laborers in South America, pressuring companies to uphold the same health & safety policies, wage standards and benefits there as they do in Canada. Union members from Sault Ste. Marie have travelled to South America to meet with workers, exchange ideas, share experiences, and lend support.

The Steelworkers Humanity Fund facilitates community development and disaster relief projects in many countries. The Humanity Fund is supported both financially and physically by local union members. Don Jones (2009), a long time labour activist, says

“...the union does, good work I would say, locally, nationally and internationally. We’ve got lots to be proud of I’d say. Sometimes when you try to recall it, it’s difficult to recapture it all, because it’s a lot of little things and not a lot of big splashy things. It’s a lot of plotting for change.”

This commitment to creating change is reflective of the deep sense of solidarity central to a union. The Humanity Fund works to address inequalities and injustices in Canada and abroad (United Steelworkers, 2009). The Steelworkers Union in Sault Ste. Marie sit on an international council, and through this council they strive to support oppressed workers in countries with lax policies around health and safety, wage, and environmental protection. The position of this council is that if a multinational company is going to set up shop anywhere in the world, they should be held to the same high standards of practice everywhere. Trade unionists from Local 2251 Sault Ste. Marie have travelled to Brazil, Mexico, and Argentina to meet with labour activists there, and hosted a delegation from Brazil in Sault Ste. Marie. This type of international solidarity is setting the stage for change in global corporate practices.
5.0 Conclusions

The first goal of this case study was to explore the nature of trade unions’ contributions to the social economy in Sault Ste. Marie. This case study has five themes that highlight labour’s contributions in many different capacities. The extent of trade unionist’s contribution to the social economy is multi-faceted. Trade unionists have created social assets, built partnerships with other social economy actors, and have created equity and debt capital for community investment. Training of workers is critical for efforts to promote the primacy of person and work over capital. This accumulation of knowledge among this group of trade unionists has had an effective spillover to the rest of the community and has developed social networks of trust.

Local unions have been influential in continuing Canada’s history of credit unions in Northeastern Ontario. Both credit unions (Community First Credit Union and Northern Credit Union) were formed as a result of sharing knowledge gained from the credit union movement in Quebec. The credit union model spoke to the needs of local trade unionists, and many agreed to payroll deductions to start both credit unions. Northern Credit Union has significantly grown to service more than twenty-four rural communities in Northeastern Ontario.

Trade unionists in Sault Ste. Marie have been strong advocates for workers rights and health and safety rights, which have significance provincially, nationally, and internationally. Since lobbying for broader socioeconomic issues occurs at a larger scale, only examples of advocacy at the local level were explored. A multi-scaled approach has been strategically applied for advocating on broad social and economic issues that affect local workers in solidarity with others at the provincial, national, and international level.

Meeting the needs of union members and the community

Meeting community needs has been a priority for trade unionists of Sault Ste. Marie. When union members have had needs fulfilled, the same benefit has been extended to the greater community. The Group Health Centre developed out of needs within the union membership, which evolved into a project for the whole community. In other cases, the community will present a need to be acted upon. The hospice developed out of a need in the community, which was pioneered in partnership with members outside the labour movement. Organizing around community needs is done at different scales, which includes the union local, partnerships with community organizations, or the labour council. Whether a need was felt from union members or not, labour has consistently come to the table to address them. In times of economic recession, the public and private sector have been instrumental with labour to meet the needs of members, which have spilled over to the community. Labour has been involved with the United Way of Sault Ste. Marie and the Legal Clinic which focuses on addressing many community needs.
With a declining organized labour density, it will be difficult in the future to assess community needs. Currently, there is a concern about not staying informed about community needs. Organized labour, particularly industrial unions, will have to adapt their organizing strategies at different scales (local, regional, provincial, and national) to recognize needs and take action. Local trade unionists practice democratic principles in different capacities and organizations at different scales to respond to the needs of workers and citizens.

The Community Services Committee was formed to identify needs. The Committee provides a fundraising tool for multiple community-based organizations with their fun carnival and lottery. This tool is an example of how labour can be engaged in the community development process, while assisting diverse community groups in the district of Algoma and Sault Ste. Marie.

**Increasing social economy actors and leaders through training**

Many trade unionists who received training were empowered to engage in different leadership positions in the community, whether chairing boards or coaching sports teams. The training trade unionists received has taught them solidarity, advocacy, literacy and interpersonal skills. Skills development has enabled trade unionists to be effective leaders in the social economy of Sault Ste. Marie. The action taken by labour activists has been transformative to their work and community life. This transformation has enabled women activists to be empowered to become leaders and fully participate in the labour movement and the social economy. Increased participation among women in the labour movement has strengthened a critical analysis in the movement. Various efforts to train or re-train were due to a changing economic environment, but had significant transformed the lives of trade unionists in their community work.

Education and leaders in the movement are necessary for the success of current and future projects. In the case of the Group Health Centre, union leaders had a vision that developed out of educating themselves about Group Health Practice. For the hospice, community members adopted a vision and subsequently involved labour in the development process.

With an aging leadership among those interviewed in this study, more education is needed to develop leadership with the next generation. With the decline in union density, particularly among young people, education opportunities may be sought outside the labour movement. Increasing opportunities to

“The way I am now, with what I’ve done, and there is just so much more that needs to be accomplished. I really want to be a part of making this community a better place, whether it’s through the Group Health Centre or just by being a citizen that’s there, ready to volunteer when needed, or whatever the case may be. My life took a turn somewhere and it’s because of my experience with the Steelworkers and my education along the way, all the things I’ve done” Tom Bonnell (2009).
educate outside the labour movement would be beneficial for union organizing.

Unions are an integral part of the community of Sault Ste. Marie, and continue to contribute positively to the social economy through their relationships with community groups and organizations, as well as through the activities of their membership. These contributions have transformed leaders in the labour movement to act in solidarity with others in the community. Labour’s contributions highlight similar principles to the cooperative movement, which include solidarity, democratic decision-making, skills building, and the prioritization of people before profit.
Appendix 1 - Interview Questions

- The unions have often been at work in the community, creating organizations or serving on committees that really benefit the whole community. Could you tell us about your experiences in the labour movement as it relates to those types of activities?

- What do you see as being some of the most significant contributions of labour to the community here in Sault Ste. Marie? (to improve community well-being e.g. social services, health, education)
  - How did those come about?
  - Who was driving these projects?
  - What was the motivation?

- In your opinion, how has the unions’ role changed over the years?
  - How has the relationship with the community changed over time? Public image? Acceptance and support within community?

- How have labour-founded organizations been structured to respond to the needs of the community?

- How representative are these boards of the community? (gender, ethnicity?) Are there policies in place to ensure equal representation?

- Unions typically develop certain skills within their membership- leadership development, advocacy, and understanding of the democratic process. To what degree is this priority for the unions/labour council today?
  - Has there been a significant experience of union members using these skills within the broader community in leadership roles?

- How have trade union leaders spilled over into other leadership positions or organizations within the social economy of Sault Ste. Marie? I.e. City committees, other organizations. How extensive is this?

- What is the extent of partnerships & solidarity with other groups/individuals to affect social change?

- What are the challenges with working with other community groups to bring about social change?

- How have the values and principles of the unions shaped unions’ activities in the community?
  - Why does the union hold seats on other committees? What is the goal of involvement?

- How have unions contributed to the local economy?
  - Have these contributions stimulated other investments?
• Is there a relationship between workplace improvements for union members and the same workplace improvements taking place for others? Has the union ‘led the way’ in terms of employment standards and norms? How so?
• Is there a motivation for greater social change at the community level, politically, socially or otherwise?
• What are some challenges for the individual who wants to participate in community development initiatives?
• What direction do you see the union moving in, in regards to its role in the community?
  o Will the union be self-focused or focused on using union-power to benefit community? To what degree? What is the general feeling of union members about the role of the union in the community?
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