

Federal Government Task Force on Labour Relations

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[See table of contents](#)

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Article abstract

In December 1966, Prime Minister Pearson announced the creation of a Task Force on Labour Relations. Under the chairmanship of H.D. Woods, Dean, Faculty of Arts and Science, McGill University, Montréal, the members are: Gérard Dion, Professor, Department of Industrial Relations, Laval University, Québec; John H.G. Crispo, Director, Centre for Industrial Relations, University of Toronto; A.W.R. Carrothers, Dean, Faculty of Law, University of Western Ontario.

samment compte des particularités psychologiques et physiologiques de la femmes? La femme est-elle considérée comme du travail à bon marché?

Banquet de clôture:

La femme dans le monde du travail d'aujourd'hui

Mme Pierrette Sartin

FEDERAL GOVERNMENT TASK FORCE ON LABOUR RELATIONS

H. D. WOODS

In December 1966, Prime Minister Pearson announced the creation of a Task Force on Labour Relations. Under the chairmanship of H.D. Woods, Dean, Faculty of Arts and Science, McGill University, Montreal, the members are: Gérard Dion, Professor, Department of Industrial Relations, Laval University, Québec; John H.G. Crispo, Director, Centre for Industrial Relations, University of Toronto; A.W.R. Carrothers, Dean, Faculty of Law, University of Western Ontario.

The announcement late in 1966 that a Task Force concerned with the problems of labour-management relations was being established by the Government of Canada raises questions of great interest and considerable importance. Probably the most important question concerns the reasons for setting up an investigation at this particular point of time. A second matter concerns the character of a Task Force and how it differs from, for example, the more familiar royal commission. Closely related to this question is why this device, new in Canadian experience, should be the instrument chosen to deal with the labour-management relations problem. A fourth matter of interest is the modus operandi of the Task Force itself. These are basic questions and there are many more of considerable importance which might be listed. But the four I have mentioned: 1) why an investigation?; 2) the character of a Task Force; 3) why this form is chosen; 4) and how it will work; give us ample opportunity to look at the problem and try to place this whole complicated business of labour-management relations into some meaningful perspective.

The Need for an Investigation at Present

I suspect most Canadians would confess to some degree of puzzlement concerning labour-management relations in the years 1965, 66 and 67. This country has been experiencing one of the heaviest periods of strike activity in its history. After the industrial turbulence of 1946, associated with the post war readjustment, the curve of strike action was generally downward. The labour force was gradually expanding because of the return to civil life of three quarters of a million service personnel, because of heavy immigration in the late forties and the decade of the fifties, and because of the appearance on the labour market during the late fifties and the sixties of large numbers associated with the population bulge related to the increased birth rate of the forties. During the same period unionization was increasing in total numbers, although some unions were more or less stable in numbers or were even declining.

One might have expected that the number of strikes, the man days lost during strikes, and the general manifestations of industrial unrest would have grown with the labour force and with unionization. The statistics prove otherwise and this country experienced a gradual decline of the use and the impact of the strike weapon. With ups and downs we had about eighteen years of apparent improvement in industrial relationships in this country. While there were expressions of dissatisfaction by labour and management and some members of the public with public policies, these rarely reached the level of vehemence which prompted the introduction of really important changes in either public attitudes or public policies in industrial relations. There were exceptions. The railway strike in 1950 produced the first major experiment in legislating the termination of an industrial conflict and the imposition of machinery of settlement in a situation normally left to private negotiation. The Brandon Packers strike in Manitoba led to an enquiry under Judge Tritchler and to changes in the labour law of that province and the introduction of the legal entity provision regarding unions and government supervision of strike votes. Similarly the Government of Newfoundland intervened in a Woodworkers' strike and legislated the unions bargaining rights out of existence.

There are other examples of legislative changes of these ad hoc types, and there has been a gradual evolution of public policy and law based on experience of the parties of interest, labour and management, and of agencies of public policy such as conciliation officers and boards, labour relations boards and the like. But because of relative industrial peace there seemed to be no need for any thorough examination in depth of the labour-relations problem in Canada, nor has there been one.

In 1965 we entered a period of heightened industrial conflict culminating in work stoppages. This continued through 1966 and promises to be with us in 1967. While the governments of several provinces, and especially Quebec, have been drawn into these conflicts, the burden on the Federal Government has been particularly heavy because of the high incidence of industrial unrest and strikes in industries and occupations falling within the Federal jurisdiction. One has only to take a superficial look at the S.I.U. problem, the railway and airline disputes, the postal strike and a few others to realize that the Federal Government has been caught up in a baffling and complex set of labour-management problems. It is therefore not surprising that the time would come when the sensible thing seemed to be the initiating of an investigation whose object would be to analyse the problems in industrial relations to see to what extent public policies were appropriate to deal with the issues now before us. I personally know only that the Government had decided on such an investigation and that I was invited to be the chairman, but from my conversations with government officials I gathered that they believed very strongly that an objective examination largely under the direction of professional students of industrial relations was needed. I believe it is the Ottawa view that an examination of industrial relations and of the role of government would be done better if persons in those Canadian universities which over the years had been developing industrial relations centres and departments were involved to an important degree. I personally agree that an examination in depth was called for. Otherwise I would not have accepted the appointment as chairman.

The Character of the Task Force

The Task Force concept is, like so much Canadianna, borrowed from the United States. I believe it originated with the late President Kennedy. It is a body established to assist the government in understanding difficult and complexing problems; problems whose

solutions seem to have outgrown the range or capacity normally to be expected from the existing appropriate Departmental staff in the Civil Service, problems for which there appear to be no solutions acceptable within the established framework of public policy and administration.

There is no fixed model for a task force and it may be designed in a variety of ways. It differs from a royal commission, the instrument which has normally been used in Canadian socio-pathological situations, in that it combines persons from outside the public services with persons within. In the present instance, for example, the four of us from the universities will have associated with us an upper level official from each of the Departments of Manpower, Labour, Finance, Industry, and probably from the Bureau of Statistics. This ensures a close liaison between the work of the Task Force and the knowledge, expertise, services and ideas within the established departments of government. Such interdependent links are possible with this device. We are also to have a labour-management consultative committee with which we will be in regular contact by means of conferences and the distribution of working papers and research reports.

Why the Task Force in the Present Situation

The choice of a Task Force was made by the government and I can then only speculate on the reasons behind this decision. Some of them appear to be obvious from the remarks I have made about the concept of a Task Force and the composition of this particular one. There is the great advantage of combining the parties of interest, the appropriate government departments, and university personnel. This should give those of us with the major responsibility, the university group, ready and continuing access to the ideas and the vast experience of labour and management on the one hand and the information and research facilities available in government departments.

Secondly, the Task Force is flexible, both as to structure and method. We may, with experience, decide that some adjustment to our organization is called for. A simple administrative decision can effect the change. Our procedures will be determined by the views we hold of the task itself, and by the criticism and advice we receive from the consultative body and the departmental representatives.

Thirdly, by this device we will be able to work quickly and economically. For example, there is always going on in Ottawa a very considerable volume of research to meet the needs of existing policy and administration. Through the departmental representatives this will be better known to us, and with perhaps slight adjustment of program can be of great value to us. Legal studies in the Labour Department, Labour Force participation studies in the Bureau of Statistics, and others are important to us. In consultation with officials, the results of on-going research, sometimes with slight modification, can become part of our data. Moreover, these Departments with representatives on the Task Force will undoubtedly ensure that our requests for help will be met. This association will also mean that there will be a fairly continuous flow of communication to as well as from the government departments. This will be through meeting, working papers, research reports and the like. A very considerable number of persons important in the design of policy and administrative changes will be involved from the beginning, and more or less continuously. Consequently, what ultimately emerges will be understood and appreciated by them as participants in the procedures used. Labour and management members of the consultative body will have a clearer understanding for the same reason.

How the Task Force Will Work

I come now to the heart of the problem. How will the Task Force go about its work. The answer is implicit and even partly explicit in what has already been said. We must start with the problem itself. A digression into the nature of industrial relations and public policy is necessary.

Industrial relations problems arise in an economic society like that existing in Canada because of employment and the labour contract system; and because in the very nature of the responsibilities of management, authority must be exercised over those who accept employment. A prominent characteristic of industrialism is the extent to which we have carried the principle of division of labour or specialization. From this have arisen great gains in productivity per worker and a high standard of income relative to that achieved in economics which practise specialization to a lesser degree. But with each advance in the division of labour has come an increased importance of the principle of cooperation, and it is a task of management to make the decisions, formulate the plans, and exercise the authority necessary to ensure that effective cooperation does in fact prevail. Management efforts are, or should be, directed toward the economic success of the enterprise. Individuals in management have, of course, their own personal goals, and in this respect are employees; but as functioning managers they are institutionally oriented. The labourer who works for hire does so to acquire an income for himself and for whatever other personal reasons which may move him to do so. Personally he has no responsibility to the organization other than to provide his labour.

Clearly the goals of management and of labour conflict in at least two important areas. The attempt to achieve efficiency as conceived by management means a continuous stream of decisions in an ever changing situation, many of which will have an effect on employees, some to their advantage and some to their disadvantage. The worker who is by-passed for a promotion he believed should have come to him has a sense of grievance against management regardless of whether or not the net effect is higher efficiency. The labourer who is laid-off because of a decline in sales of the product he has been helping to manufacture, the alteration of production processes, or the introduction of a new machine, may face a personal disaster, and so on. Thus the exercise of decisions under the authority of management reveals a first major area of conflicts of interest.

The second area is the more obvious one concerning the division of the product of industry as between wages and other labour income on the one hand and the other distributive shares such as executive salaries and profits on the other. Who gets what out of the product of industry?

Canada, like other western-style countries has relied very heavily on the labour market to settle these industrial relations issues. The employee is usually legally free to terminate his labour contract if he objects to the conditions of work and the employer is usually considered legally free to demote or dismiss an employee for whatever reason he likes. Over the course of time, after a long period during which serious legal obstacles I do not have time to discuss today had to be overcome, workmen developed the unions as countervailing power centres to the power management derived from control over capital supplies and therefore jobs. In a sense the basic effort of unionism could be thought of as an attempt to weaken the job control of management. This movement has resulted in a vast complex of unions and union federations with a multiplicity of forms and constitutions and

systems of government and modes of negotiation with management. Just as the structure of a corporation and the administrative variations it develops will tend to reflect the nature of the economic operation it is established to perform, so unions tend to develop in accordance with the nature of the problems confronting those the unions represent. Likewise the relationship that emerges between management and unions will take on a coloration from the personnel problems and interests in the various occupations in different industries.

Industrial relations are power relations. Basically in our society we have been inclined to rely on market factors to keep the power conflict within limits considered tolerable by the public at large. On the management side — is the power to order, direct, discipline individually or collectively, and discharge — not inconsiderable power to induce employees to accept management decisions. On the employee side is the power derived from quitting and the much greater power flowing from the damage that may come from such collective actions as the slow-down, the work to rule, and the strike.

Public policy regarding industrial relations has gone through a long period of evolution until the present when it supports the right of individuals to join and work for the goals of unions, and imposes collective bargaining on employees at the request of a majority of the employees involved. Labour relations Acts in the Federal and Provincial jurisdiction all accept this principle of compulsory collective bargaining. Enforcement has required the establishment of labour agencies concerned with the relationship, especially labour relations Boards.

But public policy is also concerned with industrial peace, hence a premium is placed on collective bargaining which reaches a resolution of the issues in dispute without a resort to work stoppages. At least since the opening of the twentieth century the Government of Canada has assumed a role in industrial peace-making. Conciliation officers and later conciliation Boards have been made available to assist the parties of interest to reach agreements. Indeed, since 1907 in public service situations federal policy has involved the imposition of the services of conciliation boards or parties, along with a statutory restraint on the use of the work stoppage until the conciliation stages have been completed. During the second world war and after this combination of legal restraint on the resort to economic force and state intervention via conciliation became practically universal in Canada. In recent years there has been some erosion of this system and even abandonment of compulsory boards in some jurisdictions.

Government is concerned with industrial relations in several additional respects. Until fairly recent years public policy in Canada as well as the United States and some other Western Countries has operated on the implicit assumption that the public had little or no concern with the economic effects of collective bargaining. It was fairly widely held that the parties of interest would make bargains which would not be disturbing to the public, and that the cost to the respective bargaining parties would discourage prolonged work stoppages. But the assumption by Western governments of responsibilities to ensure something approximating to full employment has tended to create conditions favourable to price inflation including the price of labour, wages. Governments have become concerned with the possible effect of collective bargaining on the movement of prices in the economy. During wartime emergencies economic controls in support of economic stability were imposed. Wage and price ceilings and even rationing were common. But in peacetime these devices have been abandoned. But the spreading role of government economic planning, and the use of fiscal and monetary weapons to achieve goals such as price stability has

tempted officialdom to engage in tampering with labour market forces. Guidelines in the U.S.A. and the wage freeze in the U.K. are illustrations of a growing belief that free collective bargaining may produce anti-social results.

Still another area of government concern has become much more important in recent years, namely the continuity of supply of services considered to be essential to the public. Police and fire services have long been prohibited areas for strikes, but government has intervened increasingly sometimes with ad hoc legislation to prevent strikes or to bring existing strikes to an end. On several occasions since 1950 arbitration has been imposed on the railways by parliament, hydro in Ontario has had the same treatment, the postal strike was handled in somewhat the same way, and there are other examples of the apparent breakdown of the process of accommodation to the point where public authorities, whether provincial or federal, have concluded that the limit of public tolerance had been reached.

Finally, the Government of Canada, and indeed provincial governments as well, have become direct participants in industrial relations issues where the government is itself in the role of the employer. The vast expansion of government services has resulted in a very large segment of the labour force being government employees. In recent years unionism has spread rapidly in the public services and, under pressure from the labour movement, rights to bargain and even to strike have been accorded in some jurisdictions. Thus a whole new area of institutionalized industrial relationships is being developed.

The members of the Task Force believe it to be their responsibility to try to get a better understanding of the forces of influence in industrial relations. To do so requires a series of investigations in considerable depth into background influences as well as a study of experience. We propose to examine the main threads of economic and social evolution for the last few decades, to study the history of labour force changes for a couple of census periods, to look at the history of unionism and to try to understand and interpret the changing philosophy of the labour movement as well as of management since the 1930's. We propose to examine the structure of both unionism and management organizations, and of the relations between them. We will study the history of public policy and labour legislation regarding such matters as certification, bargaining units, conciliation, labour relations boards and their procedures, emergency disputes provisions, unfair labour practices, strikes, lockouts, slowdowns, the groups excluded from coverage of labour relations acts, and so on.

An important special study will be made of the history of industrial unrest for a considerable period. We hope in this way to learn something about the periodicity of conflicts, the incidence of strikes, as well as the apparent lack of conflict in certain situations and regions. We propose a number of industry studies over time in which we will attempt to understand the industrial relationships in each important industry, especially but not exclusively in those under federal jurisdiction.

In an attempt to increase our insight we propose to study elements which have a bearing on behaviour such as the impact of twenty years of relative affluence and job security on worker attitudes toward income, unionism, and the strike. We will try to assess the real importance of industrial conversion or technological change. We will be concerned with changing attitudes toward law and the courts and civil disobedience. Nor can we ignore the American presence, the corporate links, international unionisms, and the wage differential as a bargaining target. Regionalism and cultural factors will also be reviewed in-so-far as they help to explain relationships in employment.

Factors Internal to the Labour Movement

We will be trying to understand the internal issues of unionism, the special problems of unionism as it spreads into areas such as white collar and professional occupations; the problem of the apparent conflict between democratic procedures and agreement ratification and strike policies; the problem of union security and individual rights. These are intra-union problems, but there are equally difficult inter-union conflicts. There is the rivalry between the C.L.C. and international unions on the one hand and the C.N.T.U. on the other, a conflict which seems to be spilling out of Quebec into Ontario; there is the whole question of the structure of labour organizations and the locus of power as between locals and national offices, within federations and so on. It is surely significant that the Canadian Labour Congress is itself conducting an investigation of its own internal structural problems.

Management also has been undergoing important changes and we propose to examine the role of the personnel function, job design, job satisfaction, bureaucratization of industry, the locus of decision making, and the role of employer and management associations.

Factors Internal to Labour-Management Relations

It will be important, we believe, to examine the changing nature of collective bargaining issues, inter-union relations at the bargaining table, short and long-term agreements; the operation of grievance procedures and arbitration and experiments in labour-management cooperation. We are concerned to know whether or not collective bargaining is being asked to solve new varieties of problems for which it is unsuited, or which call for major changes in the bargaining process itself.

Factors Related to Legislative and Non-legislative Intervention

There is a whole host of problems related to bargaining units and certification, the conciliation procedures and publically imposed arbitration of rights disputes. We will study the role of special mediators, industrial inquiry commissions, ad hoc ministerial intervention, the use of court orders and the like.

Methods, Suggestions and Recommendations

The list above is not exhaustive. Undoubtedly it will require a rather ambitious program of research. From it we hope to be in a position to assist the Government of Canada, the direct parties of interest, and the public generally to get a better understanding of the nature of industrial relationships in this country, to assess the soundness of current policies in the field and the effectiveness of the instruments of public intervention.

We are taking the broad view that we are examining the industrial relations system rather than merely the problem of industrial dispute settlement. And I think I can honestly say we have not prejudged the issues.