

## **In Search of "Industrial Harmony": The Process of Labour Law Reform in Manitoba, 1984**

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Article abstract

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# *In Search of «Industrial Harmony»*

## *The Process of Labour Law Reform in Manitoba, 1984*

**Errol Black**

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Since 1977, labour legislation has been one of the most controversial and divisive issues within the Manitoba New Democratic Party (NDP). The issue came to the fore following a bitter and protracted dispute between Griffin Steel and a local of the Canadian Association of Industrial, Mechanical and Allied Workers (CAIMAW). In brief, the Griffin plant was struck in September, 1976 when the employer and union were unable to reach agreement on wages, fringe benefits and the issue of compulsory overtime. Then in February, 1977, Griffin officials announced that the plant would be resuming production and striking workers who did not return to their jobs would be fired. In the weeks that followed, Griffin was able to restore production using both union members who broke ranks and non-union workers who were recruited to replace workers who remained on strike.

This development created an explosive situation. CAIMAW strikers attempted to prevent the entry of strike-breaking workers into the plant. Their picket-line was bolstered by friends, sympathizers and trade unionists from Canadian Labour Congress (CLC) affiliated unions who believed that labour solidarity transcended jurisdictional lines. When this happened, police were called in to guarantee safe passage for the strike-breakers. The police did their job with much «efficiency», and in the process, arrested some 370 strikers and supporters over a period of six weeks. Finally, on April 26, 1977, the courts granted an injunction restricting the number of pickets who could be at the plant at any one time. This action effectively broke the strike.

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The Griffin dispute demonstrated to trade unionists that so long as employers were able to recruit strike-breakers, trade unions, especially the trade unions of relatively unskilled workers and workers in occupations in surplus in the labour market, were extremely vulnerable in situations where employers decided to block improvements in and/or dilute the terms of collective agreements. Moreover, this dispute also confirmed that confrontations on the picket line would result in state intervention on the side of employers<sup>1</sup>.

### THE DEMAND FOR «ANTI-SCAB» LEGISLATION

For some time prior to this dispute, the Manitoba Federation of Labour (MFL) had been requesting the NDP government to pass legislation which would prevent employers from using «professional» strike-breakers. The requests were refused. During the Griffin dispute the MFL resurrected and expanded its demand for restrictions on the use of strike-breakers at a meeting of officials of the MFL with members of the NDP caucus and party executive in April, 1977. Again, however, the MFL request was denied.

In October, 1977 the NDP government was replaced by a Progressive Conservative government. Consequently, the debate over this issue became an internal party matter.

It arose again in a dispute between Canada Safeway and members of Local 832 of the Retail Clerks Union in the summer of 1978. At the outset of the strike, Safeway management declared that it would be maintaining service in as many stores as possible using management personnel, employees who opposed strike action and new employees. Safeway was successful in maintaining partial operations thereby prolonging the strike — it lasted from June 5 to July 28, 1978<sup>2</sup>, but the tactic provoked a number of incidents of vandalism and altercations on picket lines.

While the Safeway strike was eventually settled, the experience renewed the resolve of trade unionists to press for legislation which would prevent the use of strike-breakers. Thus, at the October, 1978 MFL convention in Winnipeg, delegates endorsed the following resolution presented by the Brandon and District Labour Council:

Whereas the current economic situation in Manitoba creates conditions favourable to use of scabs by management-owners during strikes and lockouts;

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<sup>1</sup> The reference in the Labour Canada publication, *Strikes and Lockouts in Canada*, 1977, shows this dispute ending February 28, 1977.

<sup>2</sup> Labour Canada, *Strikes and Lockouts in Canada*, 1978.

And whereas the use of scabs not only undermines striking workers and their organizations, but also is responsible for the bitterness and violence which materializes during some labour disputes;

Therefore be it resolved that the MFL begin a campaign to pressure the Manitoba government into passing legislation which will prohibit firms from employing workers from outside a plant or plants to replace workers on strike and also prohibit firms from using employees/members of a bargaining unit who oppose strike action, that is, members of a striking union who are willing to scab against their fellow workers.<sup>3</sup>

The initial effort to get NDP support for such legislation came at the 1978 policy convention. With endorsement from newly elected MFL president Dick Martin and other trade union leaders, the resolution passed in the face of considerable opposition. The issue came up again at the 1979 NDP policy convention, and again the delegates voted to support such legislation.

Shortly after this convention, Sidney Green, former cabinet minister in the NDP government, noted labour lawyer, and one of the most outspoken and vigorous opponents of anti-scab legislation announced that he was leaving the NDP because it was falling under the control of organized labour. As evidence of this, he cited the party's commitment to anti-scab legislation.

Four months later, in April, 1980, 20 members of the NDP, including three Members of the Legislative Assembly (MLAs) and Murdock MacKay, former party president and former chairman of the Manitoba Labour Board, announced that they were circulating a petition supporting Green over any official NDP candidate in Inkster constituency in the next election. Winnipeg Centre MLA, Bud Boyce, stated that members of the group were concerned about the growing influence of organized labour within the party<sup>4</sup>.

Opponents of the anti-scab policy tried to get it repealed at the January, 1981 policy convention. They failed. Then, on February 27 and 28, NDP MLAs Bud Boyce and Ben Hanuschak announced that they were going to sit with Sidney Green as independents. Two days later, March 2, the three independents announced that they were forming a new political party — the Progressive Party.

<sup>3</sup> MFL, *Twenty-fourth Annual Convention: 1978 Report of Proceedings*.

<sup>4</sup> As an aside, it should be noted that a cheese plant in Souris, Manitoba, Superior Cheese, of which Murdoch MacKay is part owner was struck in October, 1981 by members of Local 832 of the Manitoba Food and Commercial Workers. The issue was a demand by the owners to eliminate a union-shop provision from the collective agreement. Superior Cheese used the same tactics as Griffin Steel to break the strike and the union. The ironic thing about all this is that Murdoch MacKay would have become the NDP Minister of Labour had he won election in 1973.

By this time, the NDP was preparing itself for an election expected in the fall of 1981. There was concern within caucus that a party commitment to the implementation of anti-scab legislation would seriously impair its chances of winning the election — especially, now that Sidney Green had formed a new party primarily on the basis of this issue. Consequently, in April, 1981 (six weeks after the formation of the Progressive Party), Howard Pawley, NDP leader, announced that the party caucus, the election planning committee and the executive had decided to ignore party policy and assure the people of Manitoba that a NDP government would not pass such legislation. As a *quid pro quo* to organized labour, Mr. Pawley promised that a NDP government would pass plant-closure legislation and make amendments to the *Labour Relations Act* which would be of benefit to labour<sup>5</sup>.

With the help of the MFL, major trade unions and hundreds of trade unionists, the NDP won the election held in November, 1981.

## LABOUR LAW REVIEW

About a year later, in December, 1982, the government announced in a Speech from the Throne that it would be undertaking a major review of Manitoba's labour legislation. Subsequently, Mary Beth Dolin, Minister of Labour, announced that the review would be in two stages: «...the first dealing... with collective labour law, technological changes and plant closure, and the second stage dealing with individual employment law»<sup>6</sup>. Marva Smith, a Winnipeg labour lawyer, was hired to co-ordinate the review.

In May, 1983, the public was invited to make submissions to the Labour Law Review on the provisions of the *Labour Relations Act*, and on «...the issues of technological changes and plant closure in *both* organized and unorganized workplaces»<sup>7</sup>. Hearings were held in June and July in Winnipeg, Brandon and The Pas. According to a preliminary report issued by the Labour Law Review, 27 submissions were received, «...including eight from union organizations (three of which were from federations or councils of unions), ten from employer organizations (one of which was itself a joint submission on behalf of eight employer associations), two from other organizations, and seven from individuals»<sup>8</sup>.

<sup>5</sup> For a more detailed discussion of this debate see Errol BLACK, «The picket line: The NDP takes sides», *Canadian Dimension*, Vol. 15, No. 6.

<sup>6</sup> «Compendium of Recommendations Made To The Labour Law Review Hearings», *Labour Law Review*, October, 1983, p. i.

<sup>7</sup> *Ibid.*, p. i.

<sup>8</sup> *Ibid.*, p. ii.

For the most part, the recommendations from interest groups were predictable. On the one hand, employer organizations called for changes in the *Labour Relations Act* that would make it more difficult for workers to unionize and weaken trade unions, including: the removal of restrictions on an employer's ability to make his views on unions known during an organization drive; the establishment of an employer's right «to enter a complaint of union intimidation, coercion or discrimination»<sup>9</sup>; the repeal of the «hot goods» provision in the *Act*; the prohibition of the closed shop; the imposition of new barriers to certification, such as requiring a majority vote of all employees in the proposed bargaining unit and allowing an employer to intervene in opposition to certification applications; the establishment of government-supervised strike votes, with non-union members of the bargaining unit having the right to vote; and the elimination of the Minister of Labour's role in appointing chairpersons to three-person arbitration boards<sup>10</sup>.

On the matters of plant closures and technological change, employers argued for the maintenance of the *status quo*. For example, on plant-closure legislation, the Canadian Manufacturers Association insisted that:

Legislation regarding plant closures is not necessary or desirable for employees or employers in Manitoba. Any such legislation would act as a further deterrent for prospective employers opening up manufacturing operation in Manitoba. Loss of employment is dealt with adequately under S. 35 of the *Employment Standards Act*.<sup>11</sup>

Trade union proposals, on the other hand, were intended to achieve the opposite results, i.e., to reduce impediments to unionization and to strengthen trade unions. Moreover, some unions submitted a number of proposals intended to strengthen union democracy and the trade union rights of individual workers. Among the proposed amendments to the *Labour Relations Act* were the following: the confirmation and clarification of the rights of workers to refuse to handle «hot goods»; the guarantee of the right of workers to refuse to cross a picket line without fear of employer reprisals; the restoration of the right of unions to discipline members who act contrary to the interests of union memberships; the elimination of constraints on the rights of workers and unions to organize at the workplace; the guarantee of a union shop provision in collective agreements where the majority of members are in favour; the imposition of the duty of fair representation on unions; the automatic certification of a

<sup>9</sup> *Ibid.*, p. 17.

<sup>10</sup> Ironically, some of the most reactionary of employer proposals were submitted by organizations representing public sector employers, specifically, the Manitoba Association of School Trustees and the Manitoba Health Organization.

<sup>11</sup> *Labour Law Review*, *op. cit.*, p. 139.

union where «...there is majority support based on membership cards as of the date of application»<sup>12</sup>; the inclusion of «just cause» and «justice and dignity» clauses in collective agreements; and the exemption of job actions on health and safety issues from provisions restricting strike actions.

Not surprisingly, a number of the «pro-labour» submissions also called for restrictions on the ability of employers to replace striking employees. The Confederation of Canadian Unions (CCU), for example, proposed either that the Québec model be followed, or alternatively, that strike breaking be made an unfair labour practice:

The worker's job should be granted an analogous status of a property right by developing the concept of job equity. The following alternative mechanisms could deal with strike-breaking-problems:

- a) implement the Québec idea, but plug loopholes in that legislation to ensure that the section prohibits obtaining strike replacements by sub-contracting or by transferring non-bargaining unit office workers to bargaining unit jobs, and to ensure that supervisors from other operations are not allowed to run the plant; or
- b) make strikebreaking an unfair labour practice but give the employer the opportunity to appear before the Board to justify the use of strike replacements in the circumstances and the Board may determine if the interests of either party would be unduly prejudiced.<sup>13</sup>

Union proposals on plant closures identified most of the ideas associated with model plant-closure legislation, including, substantial advance notice, severance pay related to years of service, complete disclosure of all relevant information, government intervention to maintain production or to find alternative uses for production facilities, and government and/or company-financed retraining and relocation programs.

Similar proposals were offered for strengthening existing provisions on technological change<sup>14</sup>.

It should also be noted that both employers and trade unions called for changes in the *Labour Relations Act* that would «depoliticize» the Manitoba Labour Board and give it greater powers.

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<sup>12</sup> *Ibid.*, p. 59. This proposal was submitted by the MFL, the Manitoba Food and Commercial Workers Union (MFCW) and the Communist Party of Canada-Manitoba Committee (CPC-MC).

<sup>13</sup> *Ibid.*, p. 46. Similar recommendations came from the MFL, the MFCW, the Union of Unemployed Workers, the Manitoba Law Union and the CPC-MC.

<sup>14</sup> The CPC-MC took these ideas to their logical conclusion with its proposal that: «Legislation should state that no new technology can be effected without prior approval and agreement from the workers, community and the government». *Ibid.*, p. 152.

## THE WHITE PAPER

Once the NDP government had established the Labour Law Review, it was under the gun to come up with legislation for the 1984 legislative session. On the face of it, this should have been a fairly straightforward exercise designed to discharge the government's IOUs to organized labour by passing plant-closure legislation and by amending the *Labour Relations Act* to enhance the rights of Manitoba workers and trade unions. Unfortunately, the situation proved more complicated than this.

After the Labour Law Review had completed its public hearings a series of meetings was held involving the Minister of Labour, Mary Beth Dolin, Marva Smith, representatives of both union organizations and employer associations, and senior members of the Department of Labour staff. The purpose of these meetings was to try and achieve some kind of consensus on proposed changes to labour legislation. These meetings continued until November 1, 1983 at which time the Minister indicated that deliberations must proceed to subsequent stages, so that legislation would be ready for debate in the spring of 1984.

As soon as the formal meetings ended, the Manitoba Chamber of Commerce began a campaign to exert pressure on the government to drop some of the measures under consideration. All members of the Manitoba Chamber received a pamphlet titled «Labour Law Reform». The pamphlet detailed the issues of concern to the Manitoba Chamber, under the captions, «Technological Change», «Plant Closings», «Union Power Over Members», «Union Rights Over Employer Rights», «Prohibition Against Hiring Replacement Workers During Strike», and «Increasing Union Membership». In each of these sections, the «pro-labour» positions and the Chamber positions were compared.

The pamphlet was an exaggerated response to the issues under discussion, which was designed to convince Chamber members that the «pro-labour» proposals would be passed in the absence of a concerted and sustained campaign by Chamber members. For example, the section under the caption «Prohibition Against Hiring Replacement Workers During Strike», compares the position of the MFCW, which proposes that the hiring of new employees after a strike begins and the use of managerial personnel from elsewhere to replace striking workers be made unfair labour practices, with the Chamber's position, which rejects any restraints on the rights of employers to replace striking workers. The point was that the Manitoba government had already stated there would be no undue interference with an employer's right to replace striking workers.

The pamphlet concludes with the message that:



Business fears union recomandations will become law

If union wishes become law

- major technological changes will likely be shelved
- business will go elsewhere or close their doors when they see Manitoba's ever-increasing anti-business legislation
- jobs will be lost.<sup>15</sup>

The Chamber kit also included a «suggested letter» for members to send to Premier Howard Pawley. The gist of the letter is contained in the second paragraph:

«...Any additional adverse labour legislation could simply force me to shut down our operation or locate elsewhere.»<sup>16</sup>

The Chamber's reaction created a dilemma for the Manitoba government. On the one hand, it owed Manitoba trade unions for their past support and it wanted to retain that support. On the other hand, it was reluctant to antagonize Manitoba's business community, because most members of cabinet and of caucus believe that NDP re-election prospects, in 1985, depends on a strong economy, which in turn depends on government retaining the confidence of business<sup>17</sup>.

In any event, after reviewing a report prepared by Marva Smith (a report which has never been made available to the public) and after much deliberation in cabinet and caucus, it was announced in the April 12, 1984 Speech from the Throne that changes in labour legislation would be introduced into the legislature:

One of the most important prerequisites for stable, long-term economic development is a healthy, co-operative relationship between labour and management. Manitoba has benefitted from an excellent industrial relations climate, and my Government is committed to maintaining and strengthening that positive climate wherever possible...

My Ministers will also propose measures to streamline and modernize Labour relations procedures.<sup>18</sup>

Subsequently, the Minister of Labour issued a *White Paper* on «Proposed Changes in Manitoba's Labour Legislation».<sup>19</sup>

<sup>15</sup> Manitoba Chamber of Commerce, *Labour Law Reform*, November, 1983, p. 4.

<sup>16</sup> Manitoba Chamber of Commerce, «Suggested Letter to Howard Pawley», December, 1983.

<sup>17</sup> In fact, Manitoba's economy has been doing very well relative to the rest of the country in the last two years, largely because the government did not panic in the face of declining economic activity and declining revenues. For some details on the performance of the Manitoba economy see «Manitoba outdoes national average with pace of recovery,» *The Globe and Mail*, July 13, 1984, p. R15.

<sup>18</sup> «Speech from the Throne», (At the Opening of the Third Session of the Thirty-Second Legislature of the Province of Manitoba), April 12, 1984, p. 13.

<sup>19</sup> The complete title of the *White Paper* is «Information Concerning Proposed Changes in Manitoba's Labour Legislation». April, 1984.

It is evident from the very first page of this document that the majority in cabinet and/or caucus had decided that the prudent course of action for the government was to tailor its proposals to placate the concerns of the business class and run the risk of alienating its labour friends. Thus, in the very first page the issues of plant closures and technological change are concealed by an outlandish euphemism, «group terminations», and do not show up again until the final section of the report where it is stated that the issues of «group termination and plant renewal» will be subject to further study. Consequently, the only thing left was the traditional core of labour relations legislation, namely, organization and collective bargaining.

As a preamble to the discussion of proposed changes in the *Labour Relations Act*, the Minister outlined, in general terms, the purposes of the changes:

The government believes its initiatives will contribute to a climate of industrial harmony and will not only further enhance Manitoba as a province in which to work and invest but in some cases provide a model for industrial relations in this decade and beyond.<sup>20</sup>

The proposed changes to the *Labour Relations Act* are dealt with under four main headings: (i) The Manitoba Labour Board; (ii) Establishing the Collective Bargaining Relationship; The Certification Process; (iii) The Collective Bargaining Process; and (iv) Methods for Maintaining Industrial Harmony.

Proposed amendments dealing with the activities of the Labour Board were intended to free the Board from both «political interference» and undue interference by the courts. Specifically, the *White Paper* proposed that: the Board chair and vice-chairs be given tenure and made subject to removal solely by a resolution of the Legislature; the Board have the authority to set its own rules and regulations and establish its own staff and budget; and the Board be permitted to defend itself when its decisions are challenged in the courts.

The *White Paper* also indicated that other amendments would create «...a new emphasis on settlement...»<sup>21</sup>, which simply meant that the Board would be given greater discretionary powers for dealing with some of the issues brought before it.

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<sup>20</sup> *White Paper*, p. 1. As a matter of interest, it might be noted that, according to the records of the federal department of labour (*Strikes and Lockouts in Canada*) the number of strikes in the Manitoba jurisdiction in the five years preceding the formation of the Labour Law Review were as follows: 1978, 34; 1979, 27; 1980, 50; 1981, 33; and 1982, 10.

<sup>21</sup> *Ibid.*, p. 3.

These proposed changes reflected recommendations made by both unions and employers. As noted above, their main purpose seems to be to depoliticize the administration of the *Act*, or, to put it another way, to professionalize administration of the *Act* by turning it over to the experts<sup>22</sup>.

The changes in certification and decertification procedures proposed in the *White Paper* were designed to eliminate some of the anomalies and ambiguities in the *Act*, and, for some situations, to make it easier for workers to certify their union. The most beneficial proposals from the perspective of unions were: the granting to the Board of the discretion to issue interim certificates in situations where exclusions from the bargaining unit were a matter of dispute: the imposition of a requirement on the Board to determine the «...true wishes of the employees by signed membership cards, as at the date of application», and to «certify where the Board finds that 55% of the employees have signed cards<sup>23</sup>; the granting to the Board of the discretion «...to certify the union without majority support if it finds the employer had committed a serious unfair labour practice which may reasonably have prevented employees from freely deciding whether they want a union»<sup>24</sup>; and the creation of additional barriers to decertification.

At the same time, however, the *White Paper* proposed that the *Act* be amended to: make it easier for employers to discipline workers who attempt, while on the job, to persuade fellow workers to join a union; and allow employers to apply for decertification in certain circumstances.

The majority of proposed changes discussed to this point are, in effect, «good housekeeping» provisions copied from other jurisdictions — Ontario, Saskatchewan and British Columbia, which the government believed would make the administration of industrial relations in Manitoba work more smoothly.

## SOME PROPOSED INNOVATIONS

In the sections on the Collective Bargaining Process and Methods for Maintaining Industrial Harmony, in contrast, the *White Paper* proposed the resurrection of some old ideas and offered some new ones. In short, the proposals in these sections were designed to do three things: first, expand the scope for government intrusion in the settlement of disputes; secondly,

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<sup>22</sup> A friend of mine, Ted Winslow, has pointed out that actions by a government in Manitoba are only «political» when it is a NDP government that does them. For some strange reason, moreover, NDP governments seem to accept this argument.

<sup>23</sup> *White Paper*, p. 5.

<sup>24</sup> *Ibid.*, p. 5.

create rudimentary arrangements which would reduce friction in labour-management relations; and thirdly, establish a mechanism for dispute resolution which would reduce the risks to unions of being broken in situations where employers were able to maintain production.

More specifically, as a means of further reducing the incidence of strikes and promoting «...further development of a co-operative, positive problem-solving approach to industrial relations»<sup>25</sup>, the *White Paper* proposed:

- (i) giving the Minister the power to appoint a mediator «...in any case where she feels this might be of assistance»<sup>26</sup>;
- (ii) allowing conciliation officers to call meetings as they deem necessary rather than restricting them; to the calling of a single meeting.
- (iii) requiring the inclusion in collective agreements at the request of either party «...a provision for ongoing consultation throughout the term of the agreement»<sup>27</sup>; and
- (iv) «...providing for resolving collective bargaining disputes, in second and subsequent contracts, via Final Offer Selection (FOS)».<sup>28</sup>

The first three proposals are self-explanatory. The fourth one is a definite innovation that merits further explanation. Under the *White Paper* proposal, both the employer and the union could request a vote taken of the members of the bargaining unit, including during a strike or lockout, to determine if employees would support the resolution of the dispute by FOS. A government-supervised vote would then be conducted. If the vote supported FOS, «... work stop-pages... would not be allowed, or if in progress, could not continue»<sup>29</sup>. The parties would then appoint a selector, or, failing agreement between the parties, the Labour Board would designate a selector, who would choose either the employer offer or the union proposal as the basis of settlement (although the *White Paper* is not clear on whether this would be done on an issue by issue basis, or on the basis of the entire package).

Such an innovation would create modest advantages for those workers and trade unions caught in situations comparable to the Griffin Steel strike of 1967/77. In that situation, for example, when it became apparent that

<sup>25</sup> *Ibid.*, p. 9.

<sup>26</sup> *Ibid.*, p. 9

<sup>27</sup> *Ibid.*, p. 9.

<sup>28</sup> *Ibid.*, p. 9.

<sup>29</sup> *Ibid.*, p. 10. It should be noted that Manitoba has a mechanism for resolving first-contract disputes, namely, «First-contract Legislation», which allows the Labour Board to impose a first agreement when the parties are unable to reach agreement on their own. This legislation was passed by the present government in 1982 as a partial response to union demands for «anti-scab» legislation.

the strike was being lost, CAIMAW could have requested a vote on FOS. If the vote had been positive, then a settlement would have been imposed, most workers would have retained their jobs and the union local would have survived. The «hooker» in the arrangement, of course, is that an arbitrator might opt for the employer's position. Unions would have to weigh this risk against the risk of losing the strike and accepting the attendant consequences.

In addition to these proposals, the *White Paper* also proposed a series of measures of potential benefit to workers and trade unions, including: a streamlined arbitration process for dealing with rights disputes; a legislative requirement that all contracts contain «just cause» and «good faith administration» clauses; and a number of amendments directed at the strikebreaking issue. Since this latter matter had been a preoccupation of trade unions in Manitoba for the last seven years, the proposals made to deal with it deserve careful consideration.

The section of the *White Paper* which sets out these proposals expresses the government's position clearly and succinctly:

The hiring of replacement workers to perform the work of striking employees is a practice that can lead to great industrial unrest and strife, especially if striking employees believe they may permanently lose their jobs to these workers.

The Government believes some amendments are in order to ensure that strikers do not risk permanent loss of their jobs to replacements and so that replacement workers clearly understand their temporary status. Our *Act* already guarantees reinstatement once an agreement is concluded. The Government proposes to improve the provisions as follows:

- employers who offer *permanent* employment to replacement workers would commit an unfair labour practice...
- employers who hire replacement workers would be required to make clear that there is an industrial dispute in progress and that they are only being hired for the length of the strike...
- section 11 would be clarified to ensure that all employees are entitled to reinstatement when a strike is over, as long as work is available, and that work performed by replacement workers is to be considered available work.

Two other amendments would also help to keep conflict associated with work stoppages from reaching unacceptable or unfair levels. First, to ensure that the practice of professional strike-breaking does not spread to Manitoba, a provision similar to one in Ontario, prohibiting such practices as infiltration, harassment and spying is proposed.

Second, under our present legislation, pension benefits are considered so important that employers may not threaten to deny them because an employee exercises his/her right to strike. The *Act* would be clarified so that threats to deny other important

benefits (such as medical, dental, long-term disability) could not be made, provided, however, that the union agrees to continue paying the appropriate premiums during the work stoppage.

Such measures would enhance the position of some workers and unions in industrial disputes, but, in and of themselves, they would not preclude situations arising where unions were broken and striking workers lost their jobs. Moreover, it is important to recognize that these provisions do the opposite of what the MFL and major unions in Manitoba were demanding of the government. Specifically, whereas organized labour had demanded that the employment of replacement workers be prohibited during a strike, the proposed changes to the *Act* sanctioned the practice, and, in effect, stripped striking workers of the ability to claim their jobs were being stolen by 'scabs'.

Nevertheless, it seems evident that the Minister of Labour and the Manitoba government believed that the combination of these proposals and the FOS proposal would help both to secure unions against the threat of being broken in an industrial dispute, and to secure workers against the threat of losing their jobs if they went on strike<sup>30</sup>.

#### **AN ASIDE ON THE UNDERLYING PHILOSOPHY OF THE *WHITE PAPER***

The rhetoric and proposals in the *White Paper* reflect an underlying philosophy that perceives collective bargaining as basically a technical relationship between unions (as business agents for employees) and employers. As such, it is in the interests of both parties to seek a co-operative basis for maximising the benefits to each from their common situation. Within such a framework, conflict is treated as an anomaly, a result of improper information and inappropriate attitudes. Indeed, these ideas are explicitly stated in the conclusion to the *White Paper*:

The legislative and policy changes contained in this paper are essential elements of a productive, industrially peaceful society committed to the equality of the human condition. The proposals recognize the legitimate concerns of Manitoba's business and labour communities and the need for co-operation and harmony in the province's unionized sector.<sup>31</sup>

The implied role of the government in this concept of industrial relations is to create rules which will encourage labour and management to seek joint solutions to the problems that arise at the point of production, and, if need be, to intervene in situations where problems arise to try and help the two parties find a joint solution.

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<sup>30</sup> *Ibid.*, pp. 15, 16.

<sup>31</sup> *Ibid.*, p. 17.

In a word, the NDP government's vision of a desirable society would seem to be that of a corporatist society:

- a society in which the basic goals are business goals, namely, a high rate of investment and a high level of profitability;
- a society in which unions are enlisted in support of business goals by giving them and their members greater security and involving them, albeit in a subordinate capacity, in discussions pertaining to the formulation and implementation of policy; and
- a society in which government intervenes in the economy to minimize social conflict and clear away impediments to capital accumulation<sup>32</sup>.

Such a vision is, moreover, reflected in virtually everything else the NDP government has done since taking office in 1981<sup>33</sup>.

NDP philosophy notwithstanding, the reactions to the *White Paper* made it clear that whatever consensus exists as to the general purposes of industrial relations policies, it does not extend to the specifics of reform.

## REACTIONS TO THE WHITE PAPER

The MFL endorsed the proposals in the *White Paper*, including the one for FOS. Support amongst Manitoba trade unions was not, however, unanimous. Thus, Pat McEvoy, spokesman for CAIMAW, approved of most proposals, but he told a *Free Press* reporter that he found the FOS idea 'repugnant' and he

dismissed suggestions that the proposed package would have helped his union in their strike against Griffin Steel (now Griffin Canada Inc.) ...by allowing the striking workers to call for final offer selection, get an arbitrated settlement and return to jobs which had been taken over by strikebreakers.<sup>34</sup>

Some delegates to the Winnipeg Labour Council were also concerned about FOS and put forward a motion that the Council oppose the proposal. Abe Rosner, speaking in behalf of the motion argued that Labour should be consistent in its opposition to arbitration:

<sup>32</sup> For a discussion of corporatist ideas see: Ian GOUGH, *The Political Economy of the Welfare State*, MacMillan, London, 1979.

<sup>33</sup> It will be interesting to compare the results of the corporatist experiment in Manitoba with the experiment in British Columbia where the Bennett government, under the tutelage of the Frazer Institute, is seeking to create «free market» conditions by reducing the role of government and undermining the strength of trade unions.

<sup>34</sup> Brian COLE, «Dolin Believes Law will Prevent B.C. Labour 'Zoo'», *Winnipeg Free Press*, April 30, 1984.

«We are opposing arbitration... because we support free collective bargaining... (FOS) is a dangerous, a very dangerous precedent».<sup>35</sup>

The motion was defeated, largely, it seems, on the grounds that the MFL was instrumental in having the FOS proposal included in the *White Paper*.

Much to the chagrin of MFL officials, the presidents of provincial labour federations in Alberta, Ontario and Saskatchewan, Dave Werlin, Cliff Pilkey and Nadine Hunt, respectively, expressed reservations about FOS. In addition, Hunt and Werlin pointed to the ironic consequences of the government's measures to protect the jobs of striking workers; in effect, the proposed amendments would legalize the employment of 'scabs' during a strike. As Werlin put it,

«...allowing amateur, temporary strikebreakers is unacceptable.

Anybody who works during a strike is a scab. Period. End of story.

For any government to legislate that is absolutely repugnant».<sup>36</sup>

Employer reactions to the proposals were initially somewhat confused. At the outset, Jim Wright, President of the Winnipeg Chamber of Commerce, approved the concept of FOS — «It would put some real sense into the final offers» — and, while he expressed concern that some of the proposed changes in certification procedures would adversely affect employers, he was silent on the rest of the proposals<sup>37</sup>.

The next day, however, a number of spokesmen for employers condemned the proposals. David Newman, a «pro-management» labour lawyer, for example, responded to questions from *Free Press* reporter Brian Cole with the following statements.

Is it pro-union? You bet your life.

To me, it's incredibly one-sided. From the unions' perspective, I think this is an incredible opportunity to organize all employees in the province».<sup>38</sup>

Newman also commented on the fact that the proposed changes to the *Act* would expand the powers of both the Labour Board and the government in industrial relations matters.

«The theme running through the whole *White Paper* is rather than having the marketplace determine things, it's better to have (government appointed) people who are going to decide what is appropriate...

<sup>35</sup> Brian COLE, «Labor Federation Defeats Motion to Oppose Final Offer Selection», *Winnipeg Free Press*, May 2, 1984.

<sup>36</sup> Tom GOLDSTEIN and Mary Ann FITZGERALD, «NDP Labour Law Reform Assailed as Anti-Union», *Winnipeg Free Press*, April 26, 1984.

<sup>37</sup> *Ibid.*

<sup>38</sup> Brian COLE, «Labour Reforms Tagged as Pro-union», *Winnipeg Free Press*, April 27, 1984.



I would think many unions that don't have the same confidence in governments and labour boards as Dick Martin (president of the MFL) and his people would be disturbed, and they should be.

When I say its pro-union, in the short term it is, but in the long run it might make them more feeble». <sup>39</sup>

In subsequent weeks, Newman's views were echoed by a number of Manitoba employer groups, including the Manitoba Fashion Institute (an organization of Manitoba garment manufacturers), the Manitoba Chamber of Commerce and the Winnipeg Chamber of Commerce. The latter organization issued a statement on the *White Paper* proposals on May 17, which claimed that the proposed changes would weaken the position of employers, condemned FOS as one-sided, and called on the government to shelve all proposed changes to the *Act*. The Chamber statement also suggested that unions may have out-lived their usefulness.

Among other effects, (the proposed changes to the *Act*) tend to entrench old and possibly out-moded forms of employee representation at a time when alternative or new forms may be needed to smooth the introduction of new technology into our economy. <sup>40</sup>

## A PARTIAL RETREAT AND MORE CONTROVERSY

Finally, on June 11, the Minister of Labour introduced proposed amendments to the *Labour Relations Act*, Bill 22, into the legislature. The proposed legislation did not differ significantly from the proposals in the *White Paper*, save for one key matter; the FOS proposal had been dropped and replaced with an amendment which would give striking workers the right to be reinstated even in situations where no collective agreement is reached, provided that the union declares the strike over (or, in other words, provided the union concedes defeat).

Mary Beth Dolin indicated that the decision to drop FOS was a Cabinet/Caucus decision inspired by the concern that there was insufficient study of the experience with FOS in other jurisdictions<sup>41</sup>.

The deletion of FOS did not sit well with the MFL and the major unions which had supported the measure. Dick Martin, MFL president stated, however, that while «We're upset and angry», labour's response would be muted:

<sup>39</sup> *Ibid.*

<sup>40</sup> Brian COLE, «C of C Opposes Proposed Labour Law Reforms», *Winnipeg Free Press*, May 18, 1984.

<sup>41</sup> Mary Ann FITZGERALD, «Province Drops Arbitration Scheme», *Winnipeg Free Press*, June 12, 1984.

«...we're certainly going to talk to them and talk to people in the party about their lack of political will.

The Chamber of Commerce and the Canadian Manufacturers' Association mounted a strong lobby and I guess their lobby has worked».<sup>42</sup>

In contrast, the business community rejected the proposed legislation in its entirety: «the initial reaction of the chamber of commerce and business is that we are shocked and dismayed»<sup>43</sup>. Over the next two weeks, the Chamber mounted a sustained campaign to try and force the government to further dilute the proposed legislation. At the hearings of the legislature's industrial relations committee, Keith Godden, recently elected president of the Winnipeg Chamber, conceded that the Bill had some good points, but argued that its passage would generate more industrial conflict in Manitoba and should, therefore, be delayed pending further talks<sup>44</sup>.

When it became apparent that the government intended to proceed with the legislation the employer attack became quite intemperate. On June 26, The Manitoba and Winnipeg Chambers of Commerce, the Manitoba Mining Association and other employer groups took out a full-page ad in the *Winnipeg Free Press* denouncing Bill 22 in quite irrational, indeed hysterical terms.

The ad is set out under the caption:

#### THE DARK CLOUD OVER MANITOBA

The Provincial Government's Bill 22 is about to become law. This Act is going to mean fewer jobs and cause great damage to the economy and workers of our province.

The copy which follows has two main themes: first, that Bill 22 will cause great damage to the Manitoba economy by drying up investment and destroying jobs and secondly, that Bill 22 is designed solely for the benefit of «Big Unions». It is impossible to do justice to the ad here, but the following excerpts are indicative of its contents:

#### Bill 22 — What's it All About?

Bill 22 essentially changes the rules of management/labour relations. And favours Big Unions. Not the workers or the unemployed... but Big Unions that are usually based outside of Manitoba, sometimes outside of Canada...

Free collective bargaining, as we know it in Manitoba, is finished... Big Brother will now make the decisions for us...

«Undue influence» by a union organizer in soliciting members has been prohibited up until now. GONE. Now Big Unions will be able to do pretty well what they want

<sup>42</sup> *Ibid.*

<sup>43</sup> *Ibid.*

<sup>44</sup> «Bargaining Destroyed by NDP, Green Claims», *Winnipeg Free Press*, June 28, 1984.

to put pressure on employees. And that pressure and influence can be unpleasant. Fear will now be a major organizing tool. Big unions will win again.

The ad concludes with an appeal to Manitobans to phone Howard Pawley and various cabinet ministers and «Demand That Bill 22 Be Stopped».

Let's Remove the Dark Cloud Over Manitoba There's No Silver Lining.<sup>45</sup>

The main thing this ad achieved was that it demonstrated to the people of Manitoba that despite the veneer of sophistication the psyche of Manitoba business has altered very little since 1919.

The Minister of Labour and the president of the MFL responded to the business ad in kind. Thus, Mary Beth Dolin told a reporter for *The Winnipeg Sun* that

«It's absolutely ludicrous... It's crazy. It's a fear campaign...misleading and unfortunate».<sup>45</sup>

And Dick Martin said the ad was

«...inflammatory, provocative and derogatory... That stuff just blows my mind. It's just unreal. I haven't seen that kind of crap in years. I've seen some of the internal anti-union Chamber stuff but it wasn't anything like this».<sup>47</sup>

In the event, the business campaign had little obvious impact. Bill 22 was passed by the legislature and given Royal Assent on June 29.

An editorial in the *Winnipeg Free Press* a few days later, provided a sober evaluation of the amendments to the *Labour Relations Act*.

The labour law changes are neither so onerous upon employers as to trigger a stampede toward the border nor so miraculous in the harmonization of labour relations as to open a new era of peace, love and industrial expansion. For the most part, they are the boring clerical work that must be done from time to time to tidy up the statutes and keep them consistent with each other.<sup>48</sup>

<sup>45</sup> *Winnipeg Free Press*, June 26, 1984.

<sup>46</sup> Georges STEPHENSON, «Ad Attack Brews Backlash», *The Winnipeg Sun*, June 27, 1984. *The Sun* coverage noted that Mary Beth Dolin had met numerous times with chamber officials and when these officials were questioned by reporters they had very little to say. It also noted that while the chamber was railing against the greater powers of the Labour Board it has on record as favouring «beefing up the Manitoba Labour Board»; providing a mediator, before arbitration for grievances; government support for conciliation before a dispute turns into a strike».

<sup>47</sup> Greg BANNISTER, «'Libellous' ad Has Labour Fuming», *Winnipeg Free Press*, June 27, 1984.

<sup>48</sup> «What the Labour Law Does», *Winnipeg Free Press*, July 5, 1984.

## LESSONS FROM THE MANITOBA EXPERIENCE

The interesting thing about recent Manitoba experience is not so much the outcome, although that is important, but rather the features of Manitoba society and Manitoba politics that were revealed through the process by which changes to labour legislation were achieved.

In 1981 a NDP government was elected with the support of the MFL and many of Manitoba's major unions. There seems little doubt that much of the MFL and trade union leadership and members of Manitoba trade unions perceive the NDP as a «labour» party, and, therefore, perceive a NDP government as a «labour» government; i.e., a government that has as its priority the creation of legislation, programs and conditions that favour labour — workers in general, trade union and their members, in particular. Consequently, they were elated with the NDP election.

In the years prior to this election there had been much debate and controversy within the party over the role of government in industrial relations. The outcome of this debate was a commitment to organized labour to amend the *Labour Relations Act* and to bring in new legislation dealing with plant closures. Labour expected the new NDP government to deliver on this commitment, but instead of mobilizing its members to press for the implementation of the desired measures the unions relied on backroom discussions between union leaders and NDP cabinet ministers.

The government finally acted in 1983 to initiate a process designed to address the issues of changes in the *Labour Relations Act* and plant closure legislation. This was not, however, simply a matter of the government delivering on its commitment to organized labour. On the contrary, it had become apparent that the government in Manitoba believes that the solution to the problems that have plagued capitalist economies for the last decade is to be found in some kind of corporate arrangements, or tripartite arrangements, which minimize conflict at the point of production and involve unions, business and government in joint discussion about economic and social objectives in Manitoba and the sorts of policies necessary to achieve them.

This approach stands in market contrast to the approach that is being taken in British Columbia, Alberta and other provinces where recent policies on industrial relations have been inspired by the belief that unions have become too strong and their power must be reduced as a precondition for resolving current economic problems. Such policies have been pushed through, moreover, despite vigorous opposition from trade unions and other groups in society. This is especially true of British Columbia where the Social Credit government of Bill Bennett is openly pro-business and anti-labour.

During the long drawn out process leading up to the passage of Bill 22 in Manitoba, it was evident that the MFL and its affiliates share the corporatist philosophy of the government. What Manitoba's trade union leadership has failed to perceive, however, is that in the Canadian context corporatism presupposes the priority of business values and a dominant role for business in the setting of the political and social agendas. Nevertheless, the trade union leadership participated in the process with the expectation that the interests of labour would be served by the resulting legislation.

The failure to mobilize its membership and the passive acquiescence in the corporatist philosophy of the government seriously weakened the ability of organized labour to influence the outcome of the process which culminated in Bill 22. This was evident in the response from organized labour to the absence in the *White Paper* of proposals to deal with plant closures and technological change, and in the response to the deletion of FOS from the amendments to the *Labour Relations Act*. In short, the response was muted — an expression of disappointment and a bit of whining, but nothing else.

At the same time, the process revealed not only that Manitoba business has little enthusiasm for corporatist arrangements involving substantive concessions to organized labour, but also that it is prepared to mobilize its constituents to try and prevent such concessions. This was evident in the response of business to the *White Paper* and to Bill 22, a response which suggested that business in Manitoba would prefer a situation where there was no unions and a situation where the government catered to the interests of business.

Confronted with this situation, the NDP retreated on the most controversial and significant of its commitments to organized labour. Thus, action to deal with the issues of plant closures and technological change was deferred and some of the proposed amendments to the *Labour Relations Act* eliminated. In other words, when it came to the crunch, the NDP government demonstrated unequivocally that it is not a labour government — despite its rhetoric while the party is in opposition.

This struggle did not end with the passage of Bill 22 in June. The government has made a tentative commitment to bring in legislation on plant closures, technological change and employment standards in 1985. If the government delivers on this commitment, and if the proposed legislation parallels the views of organized labour on these issues, it is almost certain that there will be an even more bitter and protracted campaign by business to prevent such legislation. Moreover, it also seems likely that business will become more active and conspicuous in its efforts to make sure the NDP is not elected again.

For its part, organized labour should have learned from the experience in 1984 that if it fails to mobilize its members to campaign for legislation beneficial to labour in Manitoba between now and the spring of 1985, the NDP government will again retreat on its commitments — in part or in whole. Such a retreat would, irrespective of the conditions under which it occurred, result in renewed fractious debate within the NDP in the period leading up to the next election.

What all of this suggests is that Manitoba may be moving to a situation where industrial relations becomes the most significant issue in politics, and where politics become more explicitly class based than they have been since 1919.

### *Le processus de la réforme des lois du travail au Manitoba 1984*

La législation du travail a été un sujet de controverse et de division au sein du Nouveau parti démocratique au Manitoba depuis 1977. En 1981, le Nouveau parti démocratique fut élu avec un programme qui incluait la promesse aux syndicats d'adopter une loi sur les fermetures d'usines et de modifier la *Loi sur les relations du travail (Labour Relations Act)*. Ces questions furent mises à l'ordre du jour en 1983, quand le gouvernement institua des audiences publiques comme préalables à la présentation de projets de loi en 1984. Ce processus atteint son point culminant dans un conflit acerbe entre le milieu des affaires et le gouvernement relativement à la législation qui était proposée. Le gouvernement du Nouveau parti démocratique se comporta de façon à calmer les critiques des employeurs en réduisant l'enjeu de ses réformes législatives et en les diluant, mais en agissant ainsi, il passa à côté des questions qui se trouvaient au coeur du débat. Ces faits signifient que le Manitoba peut glisser vers une situation où les relations du travail sont en train de devenir un élément majeur de la politique provinciale et où ces questions deviennent plus carrément une lutte de classes qu'elles l'ont été depuis 1919.

Le présent article porte sur trois points.

En premier lieu, il étudie les sources de la controverse sur les relations du travail à l'intérieur du Nouveau parti démocratique manitobain. Les faits démontrent que la poussée des revendications au sein du parti provient de la confrontation normale en 1976 et 1977 entre une section locale de la *Canadian Association of Industrial, Mechanical and Allied Workers* et les propriétaires de *Griffin Steel Foundry* à Winnipeg qui eurent recours à des briseurs de grève et à l'intervention de la police et des tribunaux.

Au cours des quatre années suivantes, un chaud débat agita le parti au sujet de la législation destinée à empêcher les employeurs aux prises avec des conflits de travail de remplacer les grévistes, c'est-à-dire une législation «anti-briseurs de grève».

Ce projet de législation fut accepté au congrès du Nouveau parti démocratique en 1979 et maintenu au congrès de 1980. L'adoption de ce projet a créé une scission à l'intérieur du parti dont le point culminant fut la défection de trois députés et d'autres membres importants du parti ainsi que la formation d'un nouveau groupe politique — le parti progressiste — au printemps de 1981.

Peu après, le Nouveau parti démocratique, prévoyant la tenue d'élections à l'automne 1981, annonça qu'un gouvernement NPD ne voterait pas de loi contre les briseurs de grève au cours de son premier mandat. À la place, son chef, Howard Pawley, promit aux syndicats de voter une loi relative aux fermetures d'usines et de réviser le *Labour Relations Act*.

Telle était la situation lorsque le Nouveau parti démocratique fut élu en novembre 1981.

En deuxième lieu, l'article traite du cheminement suivi par le gouvernement nouvellement élu pour remplir ses engagements envers les syndicats, ce qui commença en décembre 1982 par la création d'une commission en vue de réviser la loi et se termina en juin 1984 par l'adoption du projet de loi 22, loi modifiant le *Labour Relations Act*.

Le but du gouvernement en suivant ce processus était d'obtenir le consensus sur ces réformes législatives avant de les soumettre à la législature. Ce consensus ne s'est jamais concrétisé. Bien au contraire, les efforts du gouvernement en ce sens suscitérent une opposition hostile et soutenue de la part des milieux d'affaires manitobains, opposition qui se traduisit par une réduction de la portée des réformes finalement introduites dans le projet 22 et une édulcoration de leur contenu.

Enfin, l'article expose les conditions qui ont permis aux hommes d'affaires du Manitoba d'obliger le gouvernement à battre en retraite en ce qui avait trait aux réformes proposées et à réévaluer les conséquences des développements récents des relations futures entre les employeurs, les syndicats et le gouvernement. En résumé, on peut soutenir que sous un gouvernement du Nouveau parti démocratique, les syndicats n'ont pas réussi à mobiliser leurs membres pour appuyer des mesures avantageuses pour les travailleurs. En conséquence, lorsqu'un conflit survient au sujet de la politique et des programmes gouvernementaux, les syndicats sont incapables de contrecarrer l'opposition. Les employeurs, au contraire, sont hostiles au gouvernement du Nouveau parti démocratique et sont en mesure de mettre sur pied une campagne vigoureuse et soutenue contre des mesures qui sont perçues comme potentiellement défavorables à leurs intérêts.

De nouvelles réformes à la législation du travail au Manitoba sont prévues pour 1985. Leur sort dépendra pour beaucoup de l'action que les syndicats entreprendront dans l'avenir immédiat pour mobiliser leurs membres afin de défendre ces réformes. Si ceux-ci sont mobilisés, les réformes seront probablement adoptées; sinon, elles seront probablement retirées.

Quoiqu'il advienne, les derniers événements au Manitoba indiquent que les relations professionnelles deviendront un enjeu politique d'importance et que le conflit se déroulera selon les lignes de classes.