1

Microl

National Library
of Canada

Bibliothèque nationale
du Canada

Canadian Theses Service

Service des thèses canadiennes

Ottawa, Canada
K1A 0N4

NOTICE

The quality of this microform is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially if the original pages were typed with a poor typewriter ribbon or if the university sent us an inferior photocopy.

Reproduction in full or in part of this microform is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30, and subsequent amendments.

AVIS

La qualité de cette microforme dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de qualité inférieure.

La reproduction, même partielle, de cette microforme est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30, et ses amendements subséquents.

TRAINING PROGRAMS - THE GREAT ILLUSION,

by

M. A. SHEAHAN, B.A.

A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of
Master of Social Work

School of Social Work

Carleton University
Ottawa, Ontario
June 14, 1989.

© copyright
1989, M.A. Sheahan

National Library
of Canada

Bibliothèque nationale
du Canada

Canadian Theses Service Service des thèses canadiennes

Ottawa, Canada
K1A 0N4

The author has granted an irrevocable non-exclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of his/her thesis by any means and in any form or format, making this thesis available to interested persons.

The author retains ownership of the copyright in his/her thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without his/her permission.

L'auteur a accordé une licence irrévocable et non exclusive permettant à la Bibliothèque nationale du Canada de reproduire, prêter, distribuer ou vendre des copies de sa thèse de quelque manière et sous quelque forme que ce soit pour mettre des exemplaires de cette thèse à la disposition des personnes intéressées.

L'auteur conserve la propriété du droit d'auteur qui protège sa thèse. Ni la thèse ni des extraits substantiels de celle-ci ne doivent être imprimés ou autrement reproduits sans son autorisation.

ISBN 0-315-54421-X

The undersigned recommend to the Faculty of Graduate Studies
and Research acceptance of the thesis

"TRAINING PROGRAMS -- THE GREAT ILLUSION"

Submitted by M.A. Sheahan, B.A.
in partial fulfillment of the requirements for
the degree of Master of Social Work

Peter Findlay
Thesis Supervisor

Roland Lecomte
Director, School of Social Work

Carleton University

Date

ABSTRACT

This thesis traces the federal interest in manpower policy in Canada with special reference to training programs between the years 1900-1984. It is divided into two parts.

Part I deals with the period up to 1967, and has four chapters. The first chapter deals with the development of manpower policy up to the depression of 1929; the second with the depression era; the third with World War II and the fourth with the post war period up to 1967. The introduction of training programs is shown to be closely associated with the rise in union membership and the number of strikes and lockouts. Government interest is seen to be centred on control and stability.

Part II is divided into three chapters. The first traces the establishment of "active" manpower policy; the second lists the main evaluations and the third is a discussion of the nature of "active" manpower policy. It is argued that a radical change in policy never occurred and that the federal government continued to be concerned with stabilization and control of the work place. It is suggested that the change represented a new style of government and that training programs as developed during this period adversely affected the poor.

ACKNOWLEDGEMENTS

I would like to thank Professor Peter Findlay, for the amount of time spent supervising this thesis and Professor Frances Abele for her valuable comments and suggestions. In addition, I am most grateful to the staffs of the various libraries, who were unfailingly helpful and patient.

TABLE OF CONTENTS

	Page
Abstract.....	(ii)
Acknowledgements.....	(iii)
Table of Contents.....	(iv)
List of Tables.....	(vi)
List of Charts.....	(vii)
List of Appendices.....	(viii)
Introduction.....	1
PART I:	
Chapter 1:	
Royal Commission on Industrial Training and Technical Education.....	23
Agricultural Aid Act, 1912 and the Agriculture Instruction Act, 1913.....	29
Union growth and labour unrest.....	34
Technical Education Act, 1919.....	37
Chapter 2:	
Depression.....	47
Rowell-Sirois Commission.....	50
Dominion-Provincial Relief Agreements.....	51
Union decline, labour unrest.....	52
Unemployment and Agricultural Assistance Act, 1937.....	54
Youth Training Act, 1939.....	57
National Forestry Programme, 1939.....	58
Chapter 3:	
Dominion-Provincial War Emergency Training Program.....	67
Vocation Training Co-ordination Act, 1942.....	67
Vocational Schools Assistance Agreement, 1945.....	68
Chapter 4:	
Union growth and labour unrest.....	73
Technological changes.....	74
Technical and Vocational Training Assistance Act, 1960.....	76
PART II:	
Chapter 5:	
Introduction.....	91
Active Manpower Policy.....	97
Adult Occupational Training Act, 1967.....	99
The National Training Act, 1982.....	109
Chapter 6:	
Evaluation Studies.....	115
Chapter 7:	
Introduction.....	130
Labour unrest and union membership.....	134
Area Development Program.....	138
Importance of Education.....	141
Organization for Economic Co-operation and Development.....	144
Economic Council of Canada.....	150
Form of Adult Occupational Training Act.....	163

TABLE OF CONTENTS (continued)	Page
Distribution among provinces.....	163
Labour unrest in Quebec.....	164
New brand of federalism.....	169
Separation of post-secondary education.....	170
Federal responsibility for the economy.....	171
Exclusion of youth.....	174
Consultation with the provinces.....	175
Institutional vs. industrial training.....	176
Inflexibility of program.....	177
The primary objective - economic growth.....	179
Canada Manpower Centres.....	180
Equity - secondary objective.....	182
Stabilization - secondary objective.....	185
Conclusion.....	192
Bibliography.....	205
Appendix.....	214

LIST OF TABLES

TABLE	DESCRIPTION	PAGE
I	Union Membership in Different Countries, 1911, 1912.....	16
II	Magnitude of Trade Disputes in Canada - Number of Employees involved.....	20
III	Magnitude of Trade Disputes in Canada - Time losses Incurred.....	20
IV	Summary of Amounts available and Amounts Paid to Provinces, 1919-1929.....	41
V	Vocational Schools, Teachers and Pupils in Canada, 1919-1929.....	43
VI	Number of Persons Enrolled in Training Programs in 1944 and Expenditures Incurred.....	69
VII	Federal Assistance to Provinces under Vocational Schools Assistance Agreement.1945-1957.....	71
VIII	Unemployment as a Percentage of the Canadian Labour Force.....	81
IX	Technical and Vocational Training Act....	83
X	Strikes and Striker Days in Fifteen Countries.....	136
XI	Distribution of Training Expenditure Percentage Among Regions.....	166
XII	Regional Impact of Canada Manpower Training Program.....	137
XIII	Strikes and Lockouts in Canada, (1901-66)	167-8
XIV	Duration in Mandays of Strikes and Lockouts by Jurisdiction, 1962-1966.....	169
XV	Strikes and Lockouts, 1967, Showing Workers Involved and Duration.....	170
XVI	Household Income by Quintiles.....	188

LIST OF CHARTS

CHART	DESCRIPTION	PAGE
I	Union Membership between 1911 and 1919.....	38
II	Loss in Working Days Through Strikes and Lockouts by Groups of Industries Each Year, 1901-1928.....	39
III	Results of Strikes and Lockouts According to Numbers of Employees Involved in 1901-1928.....	40
IV	Trade Union Membership in Canada, 1911-1942.....	79
V	Distribution of Working Age Population, 1961-1985.....	80

LIST OF APPENDICES

TABLE	DESCRIPTION	PAGE
No. 1:	Statistical Tables.....	215
No. 2:	Distribution of Income.....	217

INTRODUCTION

INTRODUCTION:

In September, 1985, the Conservative government introduced its Canadian Jobs Strategy. This was after considerable discussion of the weaknesses and shortcomings of over 18 years of Liberal Manpower policy. The growth of the training programs during those years was a source of constant public criticism, and minute examination, by parliamentary, departmental, economic and academic bodies. While there is a wealth of information on specific aspects of the programs, I believe that there has been very little attempt to examine these programs from an historical perspective. I have attempted, therefore, to trace the role of the federal government in the development of "Active Manpower Policy" and in particular the use of training programs, in the period 1900-1984. I contend that the 1967 legislation - the Adult Occupational Training Act, was a true successor of one specific section of the Technical and Vocational Training Act, and not as has been claimed a major departure from previous policy. From an historical perspective it was never the economic policy it professed to be. It continued in the footsteps of previous rehabilitation programs, drawing on world forces prevalent at the time for its "new and improved" image. I will try to show that the policy was not, as some have asserted, the product of an overgrown or inadequate department that misinterpreted, or mishandled a good idea, but

that the fault lay in the original policy. The driving force that sustained the worldwide excursion into Training Programs was "education produces increased productivity which is reflected in lifetime earnings". In its pure form this was a circular and poorly researched argument, but as adapted for Canada under the Adult Occupation Training Act, it became a rigid, inflexible and expensive program, which from its very inception was an inefficient way of improving either the economic lot of the unemployed or the country as a whole. Viewed, however, as a true successor of the unemployment programs, it could be seen as a rather effective worker control mechanism. Its most serious fault lay in the growth of a government department which was not made to be accountable for its actions, using the excuse of the complexity and variety of the different training programs, difficulties in obtaining data from the provinces, and those wonderful vague objectives - economic growth, equity and stabilization. It became, therefore, the perfect political smokescreen. "We are handling unemployment through training" it said. In consistently failing to report outcome of programs it helped to condition the country to accept unnecessarily high unemployment rates. It became the protector of the Minister rather than an executor of policy.

In addition, this Act introduced the concept that a federal government was capable and entitled to make the decision as to who would benefit from training and the type of job

training required. It perpetuated the idea that the unemployed were in that state because they were defective. In giving to a government the power to choose a form of training for one segment of society it introduced a precedent whereby future discrimination against this vulnerable segment of society may proceed. In taking the political heat out of unemployment I contend that it has enabled government to ignore the scope of the unemployment problem.

I have divided the history of manpower management into two segments. In the first, the period up to 1966, I have attempted to show the interests and experience of the Department of Labour, and the emphasis placed by that Department on the various elements of manpower control. I will show that this Department was called on in abnormal times to implement emergency policy. The experience in times of war and depression have had a marked effect on the stability of manpower policy and, I contend, on the manner in which its offspring, Employment and Immigration Canada, approaches problems. It was war that produced manpower policy successes, when demand for labour eventually exceeded supply. Failure greeted most forms of manpower policy in times of depression.

In peace, the main business of this Department, it is argued here, has been control and conciliation. There is a clear and consistent correlation between the introduction of "training" and labour unrest. Federal government interest in training up to 1967 was limited to the role of provincial benefactor.

It saw education/training as an indivisible composite, which needed stimulating when labour unrest was high and market conditions warranted.

In the second section, the period 1967-1984 is discussed, covering the Adult Occupational Training Act and its successor, the National Training Act, 1980. I have provided an outline of the way the Department interpreted the legislation and presented the major evaluations by various bodies. The stated objectives of growth, equity and stabilization are examined and it is argued that the new legislation is a continuation of previous policy, adapted to present the illusion of a progressive, modern government. It represents the fading importance of facts, reason and logic and rise of appearance, of impressions, of image. The radical, active manpower policy, drew on the power of science and the reputation of august bodies to present a cure for unemployment which was in reality a politically expedient way to maintain control and avoid the "do nothing" label.

At the outset, the theoretical intent of this paper was to examine policy within the framework of the orthodox liberal democratic ideology; to see the state as adjudicating as an honest broker between the various segments of society; to interpret the welfare state as being one where "governments plan, select, and implement public policies according to some kind of rational decision-making or scientifically administered system".¹ To sustain the complete image was

impossible. Firstly, the neutrality of the State came into question. A more Marxist theoretical base developed, such as described by Panitch where government purpose became the fostering of capital accumulation, in an environment preserving social harmony and maintaining the social order. This is especially apparent in the sustained concern about trade unions and labour unrest described below. While government was concerned with appearing to represent the interests of both labour and capital, it became evident that, as Panitch put it, "the national interest and business interests are one.." ² Perhaps a more liberal theoretical base could have been preserved and the bias in favour of capital explained had it not been for the obvious existence of another crucial Marxist element. What Miliband terms "the falsity of perception....the disjunction between appearance and reality, form and substance" ³ was found in the government presentation of policy objectives and analysis of outcome. The use of deception to veil and mystify is evident everywhere. What is clearly in the interests of business is represented as being designed for advancement of the worker. Because this policy directly affected skill level and skill has been a fundamental historical component in union effectiveness it could be said that this policy adversely affected worker solidarity and through government proliferation of the skill weakened the workers' bargaining power.

Perhaps this "falsity of perception" could be theoretically contained by reference to the conflicting goals and mixed motives of our federal system of government. It could be said that the dynamic quality of the process, the interrelationship of antecedent, concurrent and consequent factors have affected outcome. The apparent "falsity of perception" becomes a direct result of the adjustment process and as Simeon points out, since "there is no consensus on what factors are crucial for decision making"⁴ this explanation can never be disproved. Wilson maintains that "beginning in the 1960's institutional mechanisms began to be created to rationalize this complex interaction between, within and among Canada's eleven governments".⁵ On the other hand, Simeon shows that around 1966 the federal government was less conciliatory and adopted a firm stand against the provinces.⁶

Good evidence for this view is provided by training programs, as the federal government's objectives were relatively unpolluted by provincial thinking as they were presented without provincial consultation. While outcome was contaminated, the consistency of outcome during the history of training programs cannot be ignored. The rational element diagnosed by Wilson was not evident.

1. Doern, G.B. and Aucoin, P. (Eds.) Public Policy in Canada, Organization, Process and Management, McMillan Co. of Canada, Toronto, 1979, p.4.
2. Panitch, L. (Ed.) The Canadian State, Univ. of Toronto Press, Toronto, 1977, p.8.
3. Miliband, R., Marxism and Politics, Oxford University Press, London, 1977, p.45.
4. Simeon, Richard Federal-Provincial Diplomacy - The Making of Recent Policy in Canada, University of Toronto Press, Toronto, 1972, p.11.
5. Wilson, V.S., "Federal-Provincial Relations and Federal-Policy Processes" in Doern, G.B. and Aucoin, P. Public Policy in Canada, op.cit., p.198.
6. Simeon, R., op.cit., p.211.

CHAPTER 1: PRE-DEPRESSION THINKING

CHAPTER 1: PRE-DEPRESSION THINKING

In the period 1900-1930 the Dominion government gingerly entered the ring to adjudicate the long bitter fight between employer and employee over the control of the workplace. The rising militancy of the rapidly unionizing unskilled workers was perceived by some as a threat to property, productivity and efficiency. In addition, historians have noted that there was a world trend towards social reform and an acceptance of the concept of government intervention. "For while Canadian governments on all levels continued systematically to help foster capitalist growth, they began to take more seriously the requisite supervisory functions encouraged by labour and middle class reformers." ¹ Seriously, perhaps, but by world standards their reform decisions showed considerable reticence. It was said to be an age of social reform, but while women were enfranchised, old age pensions, workers compensation, unemployment insurance and compulsory arbitration were denied Canadian workers. Around 1918, Taylorism, or scientific management, produced shifts towards efficiency which in turn encouraged the growth of industrial barons and monopolies. This was countered by the ineffective Combines and Fair Prices Act. In many respects government was lagging behind the private sector. For example, the Canadian Manufacturers Association encouraged firms to improve employee conditions which in turn increased

productivity and reduced strikes. By 1928 in Ontario a sample of 300 firms showed that 61% had pension plans.² Mechanization was destroying the skilled workers' strength as machines broke down the craft into a series of relatively simple tasks, ideal for strikebreakers. From the turn of the century there was a rapid expansion of unions, many of which represented the semiskilled or unskilled workers which increased the radical elements of unionism because through their lack of skills they had no bargaining tool to affect the market.³ The central government was always in control of immigration and through it could control supply of labour.

What it could not control was the militancy of unions. The world wide interest by government in vocational training appealed to the Dominion government. It offered a subtle and politically expedient means of offering appeasement to the worker. Since the mid-19th century, many early school reformers, like Ryerson, viewed education as a means of producing a docile, obedient and efficient workforce.⁴ The Agricultural Aid Act, 1912, the Agricultural Instruction Act, 1913, and the Technical Education Act, 1919 appeared with each rise in union membership. A training program could control the number and level of skills reducing the edge of the craft unionists and at the same time offer the unskilled the calming force of a better paying trade.

In "The Culture of Control", Bryan D Palmer traces growth and development of control from the conception of the concept

with the coming of industrial capitalism:

Control was, essentially, the skilled workers' response to the realities of workplace organization within a society transformed by industrial capitalism. Against industrial capitalism: work discipline, the skilled worker poses the rules and regulations of his trade.⁵

The 19th Century craft union, to a greater or lesser degree, limited hours of labour, apprenticeship numbers, closed shops, holidays and in the case of a well disciplined union like the Glass Blowers Union virtually dictated all aspects of trade. For example, the trade was shut down for the summer months and "so complete was their control of the trade that Hamilton glass workers were rarely challenged by their employers and virtually never found themselves involved in strikes or lockouts"⁶ Palmer makes the important point that Craft Unions were not concerned with wages solely.

Control was multifaceted. A good union member held in contempt the worker who increased output or lengthened working hours. As early as 1860's unions attempted to control the supply of labour. The iron moulders restricted apprentices to one to every ten moulders, reduced a few years later to one in every eight.⁷ Similarly, masons controlled apprenticeships, restricting numbers to one in three years regardless of the number of masons and stonecutters employed.

The actual pricing of work was controlled by some shop committees and others regulated entry to the workplace through selection committees. Further, as early as 1864 the

skilled craft unions were seeking affiliations with related trades and instituted mechanisms to affect this control. In Hamilton a trades and labour assembly united skilled and unskilled workers.⁸ Employers countered the power of the trades assembly by forming associations of their own, complaining about arbitrary and unjust acts perpetrated by unions. There was constant struggle between the craft unions and employers in the late 19th Century, the dominance of either varying between industries. Control in all its aspects was the name of the game.

In looking at the development of what has come to be known as "manpower policy", three separate elements appear:

1. Placement
2. Mobility
3. Training.

Prior to World War I, the federal government's involvement with any of these aspects was minimal. A government employment office was established in Montreal in 1895, but the composition of the population was still predominantly rural, and no comprehensive service was offered. Early Reports of the Department of Labour refer to the need to maintain self-sufficiency and the danger of developing worker dependency if government were to take over the finding of jobs.

Apart from reflecting the general laissez-faire

philosophy of the day, the Annual Reports of the Department of Labour in the pre-war period reflect the image of a public service devoted to the objective collection and reporting of facts. There is a concerted effort to achieve distance between the department and the public and between the service and its ministerial master. Perhaps the department's role as negotiator in labour disputes intensified the need for this, but, whatever the reason, it is in marked contrast to present day manpower Reports. Then, the striving for impartiality can be seen in the number of facts reported and the attempt to restrict value judgement to a minimum. To-day, Annual Reports of C.E.I.C. resemble propaganda literature from a public relations firm. They contain a minimum of information and a maximum of persuasive description. Although the data gathering machine has enlarged, the picture which is projected is not as clear. This becomes an important point and will be returned to at a later stage.

The central theme of the Department of Labour was labour relations. Prior to 1903, there was no compulsory conciliation between employers and employees in industrial disputes or the use of a third party to arbitrate. After 1903 the Railway Labour Act made third party intervention compulsory for railways and after 1907 the Industrial Disputes Act extended this to a wide range of public utilities and mines.⁹ This law meant that strikes and lockouts were replaced by a conciliation board which employer or union could initiate.

To use strike or lockout the parties had to wait until the conciliation board had finished. Other industries were permitted to remain subject to voluntary conciliation and when a board was not convened the workers could use strikes as a bargaining weapon.¹⁰ Use of boards for the voluntary sector was very small up to 1920, but by 1923, 28% of total applications were from this sector.¹¹ This Act did not specifically mention unions, using the term "employees" and did not require recognition of the other party or in fact require them to bargain in good faith.¹² The Industrial Disputes Investigation Act, 1907, was somewhat circumscribed by limited jurisdiction of the Dominion government in labour matters and never attempted to implement compulsory arbitration, relaying on "conciliation to have an ameliorative effect on industrial struggles".¹³

In addition to the considerable space devoted to labour disputes in the Annual Report, from 1910 onward the department was instructed to publish "Labour Organization in Canada" on an annual basis. The intense interest of governments of the day in unions can be seen by the detail contained in the 191 page Report for 1913.

The numerical strength of organized labour in Canada in all its phases stood approximately at the close of 1913 at 176,000, an increase of nearly 16,000 over the estimated membership at the end of 1912.

In 1911, union strength had been estimated at 133,132; in 1912 at 160,120 so "an increase in union membership of

considerably over 40,000 during two years, 1912 and 1913, suggests a quite remarkable development during so brief a period".¹⁴

Not only was organized labour growing in number but a large portion of organized labour was seen to be owing allegiance to international bodies (149,577 members were international and only 26,222 were local). Contrasted against world figures the U.S., Canadian excursion into unionism was not startling, as can be seen from the following table:

TABLE I: Union Membership in Different Countries, 1911-12

	1911	1912	Population	%1911	%1912
Canada	160,120	175,799	7.2 mill.	2.48	2.71
Australia	364,999	433,224	4.7		9.1
G.B.	3 mill.	3.8 mill	45.3	6.0	8.4
Denmark	128,224	139,012	2.7	4.65	5.04
Germany	3 mill	3.3 mill	64.9	4.0	5.1
New Zealand	55,629	60,622	1.0		5.6
U.S.	2.28mill.	2.49mill.	91.0	2.48	2.71

Source: 3rd Annual Report "Labour Organization in Canada", Department of Labour, p.9.

The internal workings of unions were examined and the smallest details reported to the Minister of Labour:

Of the 101 international organizations operating in Canada, 72 have benefit features of varying extent. Death benefits have been paid by 53 organizations, travelling benefits by 5, unemployment by 3, strike benefits by 50, sick benefits by 18, accident benefits by 5, superannuation by 2, old age pension by 1.¹⁵

Their aims and objectives were analyzed, particularly the Industrial Workers of the World which "declares itself to be a revolutionary organization". This was demonstrated by quoting from the preamble to the constitution of that organization such statements as:

The working class and the employing class have nothing in common. There can be no peace so long as hunger and want are found among millions of working people and the few who make up the employing class have all the good things of life.

Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production and abolish the wage system.¹⁶

Industrial Workers of the World, stated the Report, had a total membership in 1913 of 14,310, comprised in 236 locals, 13 of which, with 1,000 members, were located in Canada, the majority being in British Columbia. However, the fact did not escape them that total membership in 1912 had been 40,000, with 12 locals in Canada accounting for 5,000 of this number. Internal struggles within the organization were responsible for the sudden decline but it was being monitored very closely. As far as could be determined it was responsible for one strike only of importance and they were railway construction workers in B.C.. In analyzing the decline the Report commented that the organization "appealed with most success to unskilled workers, and the depression and unemployment of this past year no doubt accounts for the

heavy fall in membership on both sides of the line".¹⁷ The association is made between the radical and the unskilled.

Although the number of union members in the United States was not great in proportion to the population, there was a history of considerable violence and civil unrest to which the Department of Labour paid close attention. They documented the United Mine Workers, for example, showing the cause and the demands made, outcome, number of workers involved, the amount of time lost and the acts of violence and civil disturbance endured. The information they compiled was not pleasant reading. In 1905, the Anthracite and Bituminous Fields saw over half a million workers strike or "suspend operations", demanding an eight hour day and 12% pay increases. The following year the Alabama strike involved 17,000 men and closed down every mine in the State for six days, as the members protested a reduction of 20% in wages. In 1910 the Illinois Coal fields saw 72,000 miners strike and win better rates and working conditions. This was bad enough but two years later, in the West Virginia Strike fighting broke out between mine guards and strikers and 18 guards and 35 miners were killed and 35 wounded, requiring the State Militia to restore order. The strike spread and eventually martial law was declared. Mine owners claimed \$750,000 damage had been caused by destruction of property and loss of business. Three months later rioting occurred again and another 12 miners and 4 mine guards were killed and again the

State Militia was called in. This time the disturbance provoked a heated fight between the Supreme Court, the military court and the circuit court, over charges laid against the miners. The Department of Labour after describing the "sad and tragic" incident commented that "during the whole period of this trouble the United Mine Workers was actively engaged in organized work and in the month of February, nearly 6,000 members were enrolled in the district".¹⁸ The U.M.W., they concluded, "whether for good or ill, the organization has made itself a power to be reckoned with".¹⁹ Membership went from 9,371 in 1897 to 377,682 in 1913.

In Canada, the U.M.W. had locals in B.C., Nova Scotia and Cape Breton. While strikes occurred in 1906, and most years thereafter the Industrial Disputes Investigation Act (March, 1907) provided intervention by the Minister and Deputy Minister of Labour to facilitate settlement. The figures contained in Tables II and III, for

TABLE II: Magnitude of trade disputes in Canada according to number of employees involved, selected years, 1901- 1912:

No. Employees Affected	No. of Disputes						Period	
	1901	1903	1905	1907	1909	1911	1912	Total
5,000+	2	2	-	-	-	2	1	9
2,500+	1	3	-	2	2	-	3	14
1,000+	3	5	4	10	2	4	6	50
500+	5	11	4	8	4	5	5	50
250+	6	17	5	11	9	10	15	120
100+	9	27	20	27	17	22	34	241
50+	16	18	17	25	8	21	30	221
25+	23	29	18	30	15	14	35	275
under 25	31	32	21	32	12	14	19	289
not reported	8	2	-	4	-	7	2	37
Total...	101	146	89	149	69	99	150	319

TABLE III: Magnitude of trade disputes, according to time losses involved, selected years, 1901-1912:

Time Losses in Working Days	No. of Disputes						Period	
	1901	1903	1905	1907	1909	1911	1912	Total
100,000+	2	3	-	-	3	3	3	18
50,000+	1	1	1	3	-	-	1	9
25,000+	-	4	1	2	2	2	4	23
15,000+	3	6	-	2	1	1	3	21
10,000+	1	6	2	7	2	3	-	32
5,000+	1	9	6	12	9	9	5	81
2,500+	5	11	6	16	6	7	16	107
1,000+	8	20	9	17	12	10	34	172
500+	10	8	12	16	10	13	24	144
250+	9	11	8	23	6	13	22	157
100+	15	13	14	24	10	13	16	168
100 and less	22	17	15	14	8	15	16	197
Indefinite	27	37	15	13	-	10	6	190
Total	101	146	89	140	69	99	150	1,319

Source: Report of the Deputy Minister of Labour, Annual Report, Department of Labour, 1914, p.101.

all strikes do not show any remarkable speeding up of negotiations, or discouragement of participants. However, the important point seems to be that an attempt was made by government to assist in settling disputes by active intervention. The Vancouver Island strike of 1912, where rioting occurred and required the attention of the militia, was visited by both Minister and Deputy Minister to attempt conciliation. This strike, which involved about 3,000 workers and the Springhill strike in 1909, involving 1,700 miners, were both sustained by the U.M.W. funds of almost one million dollars on each occasion. A powerful, wealthy union made conciliation more difficult and caused a Department very sensitive to working time losses great concern:

The number of strikes and lockouts in Canada during 1911 exceeded the record in any year since 1907 and the loss of time occasioned by them to employees was greater than in any single year since the Department began its record in 1901.²⁰

In the Crows Nest District of B.C., about 7,000 miners were affected, causing a loss of 1.4 million working days. The number record was smashed in 1912 when 150 strikes occurred, more than any time on record. Moreover, 52 of them were in the building trades, 29 in the metal trades, 19 in the clothing and 14 in transport; it was not just one troublesome industry.²¹

In addition to its acute fear of organized labour, the Dominion government was acutely aware of the need to keep abreast of world trends. Since the turn of the century, England, Germany and some American states had been concentrating on vocational education. In Canada, interest in "industrial efficiency" had begun in the late nineteenth century. At first, it was the business community who campaigned for legislation to train skilled workmen²², but by "the middle of the first decade of the century organized labour had come to support the principle".²³ The question of technical education was periodically introduced into parliament, and in December, 1909, Mr. Hugh Guthrie, member for South Wellington, proposed that a Commission of Inquiry should be appointed to investigate and report on the subject. This received support from the Minister of Finance and the Minister of Labour as well as the Leader of the Opposition. The Minister of Labour, W.L. Mackenzie King, asked that the debate be adjourned so that he could confer with the provinces. He wrote to each Premier, seeking approval of a Commission that would "inquire into the needs and present equipment" and into "the systems and methods of technical instruction obtaining in other countries, particularly in Great Britain, France, Germany and the United States."²⁴ Some doubt had been expressed that the provinces might take exception on ground of jurisdiction, but the provinces gave their unanimous consent. King was particularly interested in

industrial efficiency and when writing to a friend in 1910, he said:

...What I have in mind is working out a series of measures or inquiries all of which may help to remove the waste, and save the energy of human life. Much attention is being paid to the Conservation of Natural Resources. That is well enough and all important. But the individual is of more value than lands, or mines, or waterpowers, and I am anxious to demonstrate this and to provide measures that will help towards the Conservation of Human Life. In this connection I propose taking up the loss of life and impairment to Industrial Efficiency through industrial accidents, the diseases occasioned in certain classes of industries, the housing of the working people and other like problems²⁵.

A Royal Commission on Industrial Training and Technical Education was appointed on June 1, 1910, with a distinguished membership: Dr. James W. Robertson, C.M.G., Montreal, Chairman; Hon. John N. Armstrong, North Sydney, N.S.; Rev. Dr. George Bryce, Winnipeg, Man.; Mr. Gaspard DeSerres, Montreal (later replaced by Mr. Ernest Belanger, Montreal); Mr. G.T. Murray, Toronto; Mr. D. Forsyth, Berlin, Ont.; Mr. James Simpson, Toronto; secretary and reporter to the Commission, Mr. Thomas Bengough, Toronto.²⁶

In an interim report to parliament in March, 1911, the Royal Commission described the task:

Our duty.....requires us to make full investigation into the matters of industrial training and technical education, in so far as these can promote industrial efficiency, which "is all important to the development of the Dominion and to the promotion of the home and foreign trade of Canada in competition with other nations" In discharge of that duty the Commission has given our attention to the manufacturing industries, to agriculture, to domestic occupations, to mining, to the fisheries, to the lumber interests, to the building trades, to the transportation services as well as to the technical training required for commercial operations.²⁷

The commonly held idea that interest in "industrial efficiency" was a product of the 1960's is seen to be untrue. However, the Commission did appear to make a distinction between general education and industrial training. When examining the elementary school system they noted that in a number of towns there were courses in manual training and household sciences. These were "part of general education for development, for culture and for citizenship, and it is also preparatory education to which industrial training and technical education will piece on without waste".²⁸

Because apprenticeship was becoming uncommon, due to the machinery replacing hand made crafts, and no form of skill training had replaced it, the Commission recommended a rather

strange combination of solutions. They were already acquainted with what is now called the dual labour market theory, pointing out that young school leavers take jobs for "which little training is required and in which experience does not lead to the acquisition of ability or skill in a trade or occupation which affords permanent employment or is suitable for mature years"²⁹. By introducing "constructive hand work" into the ordinary school curriculum, the Commission saw the addition as an opportunity for examining vocational choices, as well as gaining fundamental "hand tool" experience. Further, the courses during high school needed "adapting" to fit careers in industry, in the same way as high schools prepared courses for children intending to enter professions. The young, 14 year old school leaver was in need of classes in mathematics and mechanical principles as well as shop work which should be undertaken during employment. Attention was drawn to the needs of those in small towns, agricultural and fishing districts as well as women who needed training in "clear concepts of the sanitary conditions" in order to be efficient housewives. Most of these concepts were introduced into training programs at later dates. In 1911, however, the goal was the acquisition of skill, and it was skill which provided permanent employment. At this date there was no mention of "level of education" and its association with wage. The importance of the early introduction of "hand-and-eye training with

constructive work" was repeated constantly. The authors were quite progressive in that they were game to say that hand work contributed to progress in "book studies". There was an attempt to legitimize hand work as a worthwhile and important contribution to society, and not as something done by people who could not manage anything more intellectual. The Commission informed the Dominion government that its financial assistance in developing industrial training and technical education, had the approval of "important and influential" persons.

After three years of study the Commission produced a 2,500 page comprehensive report. They reported on equipment in everything from universities to children's playgrounds and, in addition, on "Needs of Workers", commenting:

The conditions under which workers earn their wages and live out their daily lives as citizens are important factors in industrial efficiency, which, to a very considerable extent, is based upon and arises from the way in which the workers spend their leisure hours. Efficiency depends also on whether they work and live under wholesome conditions, or under conditions which depress their physical vitality and leave them less vigorous as workers, less satisfied as citizens and less useful as members of the race.³⁰

They noted with interest that in some of the States of Germany attendance at continuation classes was compulsory for boys between 14 and 17 years. "Comparing a German city with one in England or Canada, one is struck by the absence from

Winnipeg Trades Council to vote on joining the One Big Union and withdraw from the international unions the vote was 8,842 in favour and only 705 against.⁵² In order to call a general strike, they had, of course, defied their trade union leaders who were outside the country. In the constitution of One Big Union was written:

As industry develops and ownership becomes concentrated more and more into fewer hands; as the control of the economic forces of society become more and more the sole property of imperialistic finance, it becomes apparent that the workers, in order to sell their labour power with any degree of success, must extend their forms of organization in accordance with changing industrial methods. Compelled to organize for self defence, they are further compelled to educate themselves in preparation for the social change which economic developments will produce whether they seek it or not.⁵³

At the Trades and Labour Congress in 1918 members had verbalized their anger about conscription and the riches obtained by some through profiteering who remained at home. One historian described the meeting as being "fed by a bewildered sense of social injustice".⁵⁴ The union movement began to turn its attention to political action. In November, 1918, the Canadian Council of Agriculture, which was the national union of most provincial farmers' organizations, challenged the very existence of the established political parties with its "New National Policy". This movement eventually became a new federal party,

courses, instructional equipment, scholarships, research, etc. Approval for any undertaking was through a Provincial Development Commission. In addition, it was suggested, support should come from local authorities and from individuals, with respect to finance, management and administration. All who were likely to profit by the results obtained should contribute. The importance of local control was stressed, as was the need for co-operation with school authorities in order to make full use of existing facilities and teachers. As a senior officer of the Department noted "It would be accomplished through the use of advisory groups at each level of government for it was considered better to have a thousand men and women directly involved in the planning of programs than ten thousand implicitly doing what the Department directed."³⁴ The Commission's report reflects the appropriate attitude which it felt the Dominion should adopt towards other levels of government with respect to education. The pitfalls inherent in dabbling in the field are written into every line.

At this time there were in existence many provincial vocational schools, offering day and evening classes in a wide variety of subjects, but the expansion of general manual and technical training facilities through an infusion of Dominion funds at this time was not to be.

The specific recommendations of the Commission were never implemented, for by the time the final volume was

published, war had broken out. In the meantime, the government had gone ahead and instituted a very restricted training program.

The Agricultural Aid Act, 1912, and The Agriculture Instruction Act, 1913.

The years from 1900 to 1914 were those of world-wide expansion. The population in Europe exploded, rich gold fields were discovered, and America, Germany and Japan vied for the role of industrial giant. There was a great demand for raw materials and "it fell to Canada to provide an increasing part of the world's food."³⁵ The Agricultural Aid Act, 1912, gave federal money to stimulate agriculture and was followed the following year by the Agriculture Instruction Act for which ten million dollars was allotted to be distributed over ten years for the benefit of Canadian agriculture. Between them, the two plans gave over eleven million dollars of Dominion funds to the provinces between the years 1912-24, a portion going to universities for veterinary science, the rest spent in diverse ways. The outbreak of war, and the inexperience of the Dominion as a supervisor, left some doubt as to the effectiveness of the program.³⁶

Without denying the need for agricultural training, it is clear that the Dominion government's entry into the education field, also coincided with union unrest. It can

be seen from Tables II and III that the number of labour disputes jumped from 99 in 1911 to 150 in 1912 and applied to the number of employees affected as well as the number of working days lost. While on the surface, the Department of Labour took great pains to appear to be an impartial and honest broker in conciliating between employer and employee, labour historians have shown that central government policy mitigated against the worker, as illustrated below.

Because skill was the base on which unions operated, immigration policy was critical for union strength and effectiveness. While immigration of workers with specific crafts weakened the bargaining power of certain unions (for example, in 1903 as a direct result of immigration policy the number of journeymen tailors declined from 120 to 40 due to Chinese immigrants ³⁷), this would appear, more likely, to be due to accident than planned intervention. Federal immigration programs were "designed to serve the demands of capitalist labour market"³⁸. Large pools of workers were kept ready for industrial expansion and workers were fired when profit dictated. The living conditions were often harsh and primitive and the lack of ethnic homogeneity among the immigrants impaired trade union effectiveness because of communication problems and sometimes bigotry.³⁹ The unorganized Europeans worked for lower wages and were used as strike breakers. Language was not the only division among the workers. The pauper British were similarly ostracized

from worker organization and, in fact, organization was concentrated in a few industries.⁴⁰ Immigration statistics show that the percentage of unskilled labour increased from 31% in 1907 to 43% in 1912-13.⁴¹ The effect of such policy can be seen in the gradual decline in real wages. Wages as a percentage of value added dropped from 43% in 1901 to 33% in 1911,⁴² a period of pronounced economic growth.

The Alien Labour Law prohibited the importing of strike breakers from the United States but it was not enforced. When the union engaged in the Rossland strike appealed to the dominion government to stop the company from importing strikebreakers the response came that the Dominion lacked jurisdiction.⁴³ Similarly, the United Brotherhood of Railway Employees in Vancouver in its gallant fight against C.P.R. got no help from the Dominion Government when it complained about C.P.R.'s illegal immigration practices, and use of secret police, or from the Courts over the killing of a labour leader picketing the tracks.⁴⁴ There would seem to be endless examples of the bias and prejudice against workers demonstrated by central government. This was not always shown by passively failing to enforce the law but also through active military intervention. Between 1867-1933 the military was used to reinforce civil power 132 times.⁴⁵ In the 1922 strike by miners and steelworkers against British Empire Steel Corporation in Cape Breton, despite a lack of violence, almost 1,000 troops were dispatched and a special

police force of 1,000 was raised by Cape Breton County. In addition, an attempt was made to second a British battleship and involve the air force.⁴⁶

In all fairness, the central government did appear to be a restraining force, refusing more troops and attempting to instil a sense of proportion.

With the outbreak of war the Dominion government was to gain considerable experience in placement, mobility and training before armistice day rolled round. The military required officers and specialized personnel to be chosen and trained quickly and efficiently. Similarly, the factories and primary industries required replacement labour as more workers were enlisted in the fighting forces. The Militia Act of 1917 attempted to compensate for labour shortages through the setting up of Provincial Employment Services to attract students and workers from the less essential industries to move into more important work. Most phases of manpower training and movement were covered under the War Measures Act. Expediency seems to have been the guiding principle. The expenditures claimed under the Agricultural Aid Act and the Agricultural Instruction Act, amount to about \$3.7 million for the total war period. This intrusion by government into the lives of citizens was, on the one hand, accepted as part of the costs of war but, on another level, was tied to the highly emotional and controversial issue of

conscription. When demobilization time came the need for employment offices became acute and the Dominion government opened up employment offices in conjunction with the Department of Soldiers' Civil Re-establishment all over the country. The returning soldiers did not take kindly to the problems encountered and the Dominion government was anxious to hand over the responsibility for employment offices to the provinces or municipalities. For part of 1919 and all of 1920, 501,363 people were placed in employment, at a cost to the Dominion of \$169,207.61.⁴⁷

1914 and 1915 were years of depression and unemployment, despite the war. In the United Kingdom however there was great demand for manufacturers of munitions. Interestingly, a special mission from the United Kingdom with the help of the Department of Labour recruited 1699 Canadian workmen to be moved to England to work. A subsistence allowance during passage was paid until they commenced work. The Canadians complained that they could not maintain a family in Canada and live in Britain on the wages paid. Finally the British had to pay a special allowance which was administered by the Canadian Department. By this time the Canadian economy was rolling and wages were rising so not only did the Department have the bother of seeing that the allowance went to dependents in a way that mother England could not accuse them of incompetence but the families were somewhat less than grateful, feeling that they had been

shortchanged by the mobility scheme. The political appeal of mobility schemes was never as great as for training programs.

The increased cost of living which rose as the war progressed, brought demands for increased wages. A Canadian family budget per week for food, fuel and rent plus 35% for miscellaneous showed the following growth:

1910	1914	1915	1916	1917	1918	1919
19.67	\$22.15	\$21.15	\$22.51	\$28.43	\$32.62	\$35.17

The American figures were far less reserved and proclaimed a minimum well above the conservative Canadian figures. But, as the Department put it even these figures were "of course, considerably in excess of the earnings of many workers"⁴⁸ but concluded that the whole question hinged on what constitutes comfortable living!

Union membership had doubled during the war and in 1919 strikes caused time loss of 4 million days, twice that of any previous year⁴⁹. This sad state of affairs was due, in part, to the Winnipeg general strike, "an incident creating an altogether unprecedented and abnormal situation in Canadian industrial history".⁵⁰. Industrial unrest was being experienced all over the world at that time and the Department took some satisfaction in pointing out that figures for the United States were about 35 times greater than the losses experienced in Canada, (and when population

was taken into account a little less than three times). Similarly, in the United Kingdom," comparison is still to the advantage of Canada". The following year, the "days lost" figure dropped to just over half a million and the Department rejoiced and quoting Australia's dismal record of 7.6 million days lost with a population of 4.5 million, remarked that "the public men" of that country were frequently holding up the legislation of Canada as to industrial disputes as something to be envied. Compulsory arbitration they predicted would be replaced with something closer to the Canadian model. On the number of persons affected (only .5%) in the population, Canada also took international honours. (Great Britain: 1.7%; U.S.: 1%; Australia: 7%). Notwithstanding this top of the class record, the Department of Labour analyzed the reasons for the problems, and decided that at the bottom of much of the "direct action" was an organization known as One Big Union. One Big Union wanted to reorganize the separate trades along industrial lines, giving them more power to enforce demands. As they were radical to the point of recommending propaganda for abolition of the "present system of production for profit" and the substituting of production for use, the Department interpreted them as "undoubtedly revolutionary" and "go far to being subversive of existing industrial conditions generally".⁵¹ While they were not responsible directly for the Winnipeg general strike, when the time came for the

Winnipeg Trades Council to vote on joining the One Big Union and withdraw from the international unions the vote was 8,842 in favour and only 705 against.⁵² In order to call a general strike, they had, of course, defied their trade union leaders who were outside the country. In the constitution of One Big Union was written:

As industry develops and ownership becomes concentrated more and more into fewer hands; as the control of the economic forces of society become more and more the sole property of imperialistic finance, it becomes apparent that the workers, in order to sell their labour power with any degree of success, must extend their forms of organization in accordance with changing industrial methods. Compelled to organize for self defence, they are further compelled to educate themselves in preparation for the social change which economic developments will produce whether they seek it or not.⁵³

At the Trades and Labour Congress in 1918 members had verbalized their anger about conscription and the riches obtained by some through profiteering who remained at home. One historian described the meeting as being "fed by a bewildered sense of social injustice".⁵⁴ The union movement began to turn its attention to political action. In November, 1918, the Canadian Council of Agriculture, which was the national union of most provincial farmers' organizations, challenged the very existence of the established political parties with its "New National Policy". This movement eventually became a new federal party,

the National Progressive party in 1920. The Unionist party which had survived the war saw its supporters defecting as they lost bye-election after bye-election.⁵⁵ The Liberal party was in shambles, but at its convention in 1919, saw its opportunity to match the planks of the Progressive platform and produced a "new principle for the management of factories and a new system of insurance for unemployment, sickness and old age".⁵⁶

The dramatic increase in union membership, work time losses and the frequency of disturbances can be seen from the charts I, II and III.

What influence this data had on the Conservative government's action can only be a matter of speculation.

However, at the peak of the disturbance and increased union militancy, the Government passed the Technical Education Act.

The Technical Education Act, 1919

The Technical Education Act was designed to assist any form of vocational technical or industrial education or instruction which would promote industry or "increase the earning capacity, efficiency and productive power of those employed"⁵⁷ The act specified that financial assistance would be available for up to 50% of provincial costs for:

1. Purchase or rental of land, buildings, furnishings and equipment
2. Remuneration and travelling expenses of persons employed

CHART I: Union Membership between 1911 and 1919

Source: Annual Report, Department of Labour, 1920.

CHART II: Loss in Working Days Through Strikes and Lockouts by Groups of Industries Each Year, 1901-1928

Source: Annual Report, Department of Labour, 1929, p.55.

CHART III: Results of Strikes and Lockouts According to
Numbers of Employees Involved in 1901 - 1928

Source: Annual Report, Department of Labour, 1929, p.54.

TABLE IV: SUMMARY OF AMOUNTS AVAILABLE AND AMOUNTS PAID TO PROVINCES, 1919-1929

Province	Amounts available to provinces during period of Act	Grants paid to provinces, Ten years	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29
Prince Edward Is.	\$ 194,187 86	\$ 71,645 79	\$ 2,700 65	\$ 7,211 73	\$ 5,835 46	\$ 6,530 56	\$ 1,930 76	\$ 7,251 06	\$ 7,737 33	\$ 11,941 85	\$ 20,369 79	\$ 20,369 79
New Scotia	662,113 91	299,046 05	21,193 32	32,738 01	33,166 00	33,301 85	34,623 67	30,999 96	31,404 87	28,224 77	47,083 50	47,083 50
New Brunswick	512,461 28	405,992 68	3,396 66	10,408 73	22,160 70	17,476 06	20,362 00	43,040 51	93,874 50	76,208 50	70,107 03	48,637 51
Quebec	2,570,655 33	2,411,333 18	36,500 00	167,836 85	114,651 04	129,182 27	328,682 23	263,399 70	299,143 78	403,914 34	33,379,072 14	372,890,807 37
Ontario	3,178,605 97	3,178,608 97	106,597 63	291,111 73	378,173 94	25,121 13	20,092 49	19,500 37	19,488 77	20,036 34	27,529 51	28,527 44
Manitoba	719,216 56	391,406 49	2,618 49	7,308 08	13,665 50	18,263 84	18,397 18	17,249 37	20,083 89	18,021 83	17,018 13	25,119 90
Saskatchewan	847,620 91	132,565 92	1,142 00	3,534 28	82,606 18	71,019 01	57,613 63	62,215 61	72,731 78	85,789 16	74,000 10	92,272 30
Alberta	678,521 40	636,744 88	17,107 90	41,438 01	82,606 18	71,019 01	57,613 63	62,215 61	72,731 78	85,789 16	74,000 10	92,272 30
British Columbia	633,080 57	561,516 82	13,407 81	29,133 86	47,901 04	34,932 39	53,545 26	40,860 48	53,123 03	56,627 03	59,355 49	169,637 42
Totals	10,000,000 00	7,964,600 48	186,500 49	380,675 43	720,336 07	648,227 63	898,391 67	830,476 77	944,336 69	1,047,535 80	965,955 32	1,152,165 26

Source: Department of Labour, Vocational Education, Bulletin No. 30, p. 42.

for the purpose of administration of vocational education and all expenses incidental to such administration.

3. Remuneration of teachers employed to conduct vocational classes.
4. Training of teachers for vocational work.
5. Maintenance of plant and equipment.⁵⁸

The students were to be over 14 years old, not in the private school system and the courses were to be below College level.

Ten million dollars were budgeted, to be spread between the provinces in proportion to population, over a ten year period (See Table IV). The aim of the Act was to further what the provinces were already doing in the field of technical education, and it adopted the spirit of the 1911 Royal Commission, which was comprehensive in its approach to workers problems. Whether because of union pressure, the social upheaval of war, or the personalities in the government, there appeared to be an effort to tackle the problem of class discrimination as to the type of work. Stress was laid by the Department on the importance and worth of manual labour, at least, skilled manual labour.

As in the Royal Commission on Industrial Training and Technical Education's report, submitted six years earlier, the wording of the Act constantly underlines the need for caution in dealing with the provinces. The Department in the Director's Second Annual report describes its role, using

TABLE V: VOCATIONAL SCHOOLS, TEACHERS AND PUPILS IN CANADA, 1919-29.

Year	Number of Municipalities		Number of Teachers				Number of Pupils			
	Day	Evening	Day	Evening	Correspondence	Total	Day	Evening	Correspondence	Total
1919-20	32	97	384	1,423	3	1,810	8,512	51,827	207	60,546
1920-21	45	149	573	1,605	4	2,181	11,663	44,441	620	56,744
1921-22	54	167	527	1,711	30	2,258	13,563	46,219	2,154	61,961
1922-23	54	156	752	1,883	9	2,674	16,232	53,060	978	70,200
1923-24	58	156	929	1,970	44	2,943	20,527	57,986	1,316	78,829
1924-25	65	155	1,057	2,273	28	3,158	24,137	62,249	1,538	86,924
1925-26	72	166	1,361	2,090	27	3,479	29,010	57,706	1,396	88,961
1926-27	78	170	1,515	2,129	22	3,666	34,703	60,313	1,666	96,682
1927-28	86	184	1,588	2,409	23	4,030	40,901	66,367	1,650	109,008
1928-29	89	192	1,694	2,666	29	4,389	45,617	73,677	1,447	121,252

Source: Department of Labour, Vocational Education Bulletin No. 30, p.42.

phrases such as "To accept the work already done by each province and to co-operate with the provincial official in developing the system of education already established...To give advice freely, but only when solicited.... To cultivate a spirit of goodwill and mutual confidence..."⁵⁹. Its almost apologetic explanation for existing rested in the development of "citizenship", and a desire to be a link between the various provincial systems.

In the Reports of the Director of Technical Education over the next ten years, notwithstanding all the goodwill described, there is much evidence of frustration. Three years after the Act came into force, it was noted that a number of provinces had a tendency to "organize unnecessary vocational work in order to benefit by the large grants".⁶⁰ Statistical information was impossible because of the lack of uniformity among the different provincial systems, and the unwillingness or inability of the provinces to provide compatible data. Some provinces were reluctant to expand because they feared that as the Act expired in 1929, they might be left to support some expensive system without Dominion money. In addition to the above there was a problem with the legitimacy of technical education. While the demand for it was growing in 1925 the Director felt that vocational education was not understood or appreciated by the public "or even by the majority of education authorities".⁶¹

Parents did not believe that hand skills needed to be

taught. Schools had a tendency to conduct an academic course and attach a period of domestic science, sewing or woodwork, and then apply to have their course paid for under the Act. Vocational schools, the Department felt, in order to qualify for the grant had to be specially organized to meet the vocational needs of pupils who intended to leave school at 14 years to gain employment. Courses should be designed to encourage students to continue schooling so needed to adopt a form of individual or small group teaching and abandon the old class room system. This apparently did not appeal to many of the schools. The outstanding weakness of the schools, said the Director, was their failure to co-operate with industry - to find out what they needed to teach, rather than persisting in preparing all students for matriculation.

How much influence the Dominion presence in the field of technical education had on the subsequent rapid expansion of courses and enrollments which occurred over the next ten years, is impossible to assess. In the first ten years all of the provinces had made claims to the federal money, but only Ontario had used up its quota. While 80% of the funds had been claimed, the less industrialized provinces were slower in collecting. Saskatchewan, for example, had claimed approximately 18% of its available funds, and Manitoba, approximately 26%, by 1929, and so extensions were offered until the kitty was empty. At the beginning of 1941

Manitoba had an unearned balance of \$226,149.61.⁶²

In summary, the use by the Dominion government of training programs was, on all occasions, preceded by union agitation and membership growth. The experience during war gave the Department of Labour a taste for the benefits which could be gained from organized manpower and, unlike mobility and placement schemes, the political appeal of training programs was universal. It suited employer and employee and all shades of political philosophy. The economic benefits which accrued to either were not measured but were assumed to exist.

CHAPTER 2: THE DEPRESSION PERIOD

CHAPTER 2: THE DEPRESSION PERIOD

In the depression period manpower policy initiated by the central government was weak, ineffective and desperate.

It demonstrated all the jurisdictional difficulties inherent in a federal system. Make work, mobility and placement schemes were all tried but were unsuccessful. Union membership and activity declined and towards the end of the thirties the government introduced a new form of training program whereby skill acquisition was replaced by a new prime objective. "Rehabilitation" was the central theme, designed to appease the angry, hungry workers through physical exercise and citizenship courses. It was another aspect of control, which would, in future years, irrationally link the concept of training programs to that of unemployment.

With the return of prosperity during the 1920's the militancy of the workers declined and as Canada supplemented its grain production with other industries developing new staples and broadening the basis of its economy, manpower shortages once again became evident. In the early 1920's, the federal and provincial governments devised a plan, in conjunction with the railways, to relieve the manpower shortages then being felt in the primary industries. Workers were moved each year from east to west to help in the harvest. At its peak, in 1925, 45,000 men were transported, but as mechanization reduced the need for laborers and as

more immigrants peopled the west, the practice was discontinued in 1929.⁶³

The prosperity enjoyed for the majority of the 1920's was not equally shared by all the provinces or areas but there was enough around to put a damper on a national socialist movement. The Liberal government led by Mackenzie King replaced the Conservatives in December, 1921, but the social security legislation or indeed any radical change did not materialize. The new powers gained by the Dominion government during the war were rescinded by a series of Privy Council judgments. The Industrial Disputes Act, for example, was declared to be ultra vires of the Dominion⁶⁴. As the 1920's rolled on it became clear that with the new staples base the provinces were becoming more diversified and had their own regional interests. The power of the Dominion government had been growing up to the end of the war but now the importance of the provinces became obvious. In the period 1921 -1930 the expenditures of the provincial governments increased from 90 million dollars to 183 million dollars.⁶⁵ What social reform occurred was done by the provincial governments. The Dominion government seemed to be in decline. Even the grants-in-aid under the Technical Education Act were not renewed.

However, prosperity for all came to an end in 1929 as the stock market crashed and foreign trade dried up. The world wide depression, plus drought, brought disaster to the

prairies. In urban areas industry crumbled and there were half a million unemployed by the spring of 1930. The Liberal government of Mackenzie King viewed the problem as temporary and saw solution in balanced budgets and trimmed expenditures. By fall the Conservatives were in power and immediately increased relief expenditure and instituted a public works program to create employment. However, at the core of Conservative policy to promote economic recovery in 1930 was increased tariff barriers to protect Canadian industry from competition. In McNaught's words "a swollen urban working class bore the brunt of lowered wages and unemployment created by business policies designed to protect prices rather than jobs".⁶⁶ A critic of the time pointed out that the argument was endless but nothing was done. A true manpower policy was never developed.

The problems seemed to overwhelm both parties. Writing five years after the onset of the depression, two scholars of the period, Gilman and Sinclair took pains to show that unemployment was not new to Canadian history and in fact true depressions had been experienced in the 1870's and 1880's. The one in 1870's they said did not cause much Canadian comment because those affected moved across the border where the U.S. economy was healthier. By the 1890's workers in the U.S. were as badly off as those in Canada and there was some return movement. Again in 1913 -1914 severe hardship prevailed but the government did nothing. The

policy of the government "seemed to be one of studied inactivity". "The cost of unemployment and relief has been treated as a budgetary cost and the virtue of this or that programme of ameliorative action has been based solely upon grounds of money economy. Nothing could be more faulty in principle: nothing could be more shortsighted in policy."⁶⁷

The depression brought into question the very nature of systems and institutions which in prosperous times had been taken for granted. By 1934 the government's own ministers were beginning to realize that if the hardships caused by depression were to be relieved then government should control business practices. As a new election loomed, Prime Minister Bennett said "Great social and economic changes have taken place in the life of all the nations and these have gravely disturbed the operation of the system. What we call the crash of 1929 was simply the crash of the system."⁶⁸ The "New Deal" he proposed was one whereby the federal government would control exports, regulate business practices, introduce unemployment insurance, minimum wages and maximum working hours. He lost the election and the legislation was declared unconstitutional by the Privy Council. In 1937 the Liberals instituted the Rowell-Sirois Commission which focused in its report on two areas - distribution of federal and provincial powers and the financial relations of these governments and the difficulties raised by the economic inequalities among

the provinces. It gave to the federal government exclusive power over direct taxation and recommended the institution of national adjustment grants which would provide a more equitable distribution of the national wealth among the provinces. In the Commission's words "Canada's present and prospective economic condition makes it clear that we can neither continue to afford the friction and waste of conflicting policies, nor the greater loss due to paralysis of policy arising from a possibly obsolete division of governmental responsibilities and powers." While the poorer provinces were enthusiastic the three years' work of the Commission was set aside as Ontario, Alberta and British Columbia refused to discuss the recommendations. As war had broken out by the time the Commissions' report was received, the emergency forced the Dominion government to fashion its own measures, increasing the extent of centralized control and actually implementing many of the Rowell-Sirois recommendations.⁶⁹

While it is clear that a comprehensive policy to deal with unemployment never emerged, the federal government, attempted many small projects which expanded its experience in manpower organization. For example, through the Land Settlement Branch of the Department of Immigration, in co-operation with the railways and the provinces endeavoured to entice workers back to the farms to relieve the misery of urban unemployment. This was done under Dominion-

Provincial relief agreements which provided for expenses to be shared jointly, with administrative responsibilities resting with the provinces. In some instances, small monthly relief payments were made to the farmer and the worker as incentives to return to primary industry.

Union membership fell off for the period of the depression. It declined not only in terms of size but militancy and effectiveness.⁷⁰ By 1929 the incidence of strikes fell, and during the 1930's, strikes "as an instrument of bargaining, to say nothing of social protest, had fallen into almost total disuse".⁷¹ Despite this, the Bennett government "stepped up its invigilation of the trade unions by "labour spies"..and ordered the Mounties to put a tight clamp on any large-scale movement of "transients"". ⁷² In 1935 a "bloody riot" resulted as the police stopped strikers in Regina as they were endeavouring to "march on Ottawa".

In presenting the budget in 1936, the opposition lambasted the Liberal government for its lack of initiative:

...There are in evidence no changes of policy for the future. The budget, I feel impelled to say, is reactionary and strictly of the old order. The great problem for us and for Canada at the present time is that of getting purchasing power into the consumers' hands. This budget actually is designed to take purchasing power out of the consumers' hands.⁷³

In March of 1937, when the government was talking about appointing the Rowell-Sirois Commission, the only action

which they were prepared to take without benefit of the report was to create a reserve to the Royal Canadian Mounted Police . As one member put it "...yet all this time by our dilatoriness we are producing the very unrest which afterwards we must try to repress".⁷⁴ While the provinces and municipalities were facing a financial crisis, "imperilling the social security of our communities", the dominion government took the view that unemployment was primarily a municipal or provincial matter. Mackenzie King objected, saying "It has not been the Liberal party only; all governments have taken the same view"⁷⁵. An active social reformer, Mr.J. S. Woodsworth, replied that the Liberals were "for purely academic reasons...insistent that this is primarily a provincial or even a municipal problem." He went on to describe unemployment:

In the earlier days unemployment was due to local causes such as improvidence, drunkenness and that sort of thing. Naturally the local people might be expected to look after it. But to-day no one can say that that is true. Every person must admit that the unemployment we have had in the last six or seven years is due to great economic causes which are not merely dominion-wide but which are world-wide.⁷⁶

A picture was painted of the suffering of the people on "relief". Suffering to the extent of "stark want and deprivation" said Mr. Massey.⁷⁷ The decline in the physical conditions of thousands of the unemployed led to discussion of "physical re-establishment".

The introduction in 1937 of the Unemployment and

Agricultural Assistance Act which spent \$2.5 million to promote "training projects for young people aged 18 to 30 years", showed a very different attitude towards workers than the 1919 legislation. In the Department of Labour's reports, these unemployed young people are not any longer the hope and joy of the country but in need of "rehabilitation". A special section of the Department administered the program and indeed took over the administration of its successor, the Youth Training Act, two years later, which offered training for those in the 16 to 30 years bracket. These people were not poor workers, they were unemployed and the impression is gained that they were held somehow responsible for this state. They were defective, they needed something done to them, sometimes something as simple as being fed. One of the marks of program success was weight gain of the trainee. Herein lies the fundamental difference between "training programs, 1937 style" and the 1919 type technical education programs where the trainees had been encouraged to make themselves better through the Dominion's provision of more accessible training facilities and where there was talk of challenging the superiority of "book learning" over the "hand skills" of the technical student. There was an effort made to lessen the gulf between the classes and could be seen as an attempt at establishing a more egalitarian system. Conversely, the 1937 legislation formally associates the unemployed with the government right to change the individual

to fit the system. It is no longer a faulty system drawing on inherited prejudices, but merely faulty individuals who must be changed to fit it.

I contend that current texts fail to make the distinction between the rehabilitation type, high dependency programs and the more equitable, access to self-improvement type. In describing the history of current training programs, one piece of legislation is seen as a progression in the growth of federal government training interest. In reality, the 1919 legislation differs from the 1937 product, and the two 1939 Acts, in all fundamental aspects. The latter were temporary, desperation measures to do something with the unemployed and were not regarded as successful. The 1919 legislation was regarded as providing opportunity for the individual and of great value to the market. The 1960 legislation combined the two concepts, at first on a temporary basis. They were run as entirely separate programs until the 1967 legislation mixed the two, confusing training programs with the unemployed rehabilitation schemes. The virtues of the former were used to cover the weaknesses of curing unemployment through training.

Unemployment and Agricultural Assistance Act, 1937.

With this Act the Department combined training and placement and "rehabilitation". Unemployed young people between ages 18-30 years, registered with Employment Service of Canada, were given training in forestry, mining, domestic

service and various other occupations. Special attention was given to placement of those who had undertaken training. Known as Youth Training Agreements, operation costs were shared on 50/50 basis with the provinces, and assistance was given in the form of allowances to trainees, travelling grants, etc.. There were two types of projects. One was designed to train for wage-earning employment in Forestry, Mining and Urban occupations, Farm apprenticeships in Ontario and Alberta and Home Service training; the other was primarily for physical training and a variety of rural interest courses. For the year 1938-9, there were 15,878 trainees in occupation type courses, while 55,934 were classified as "other". Of the 15,878 who entered occupational training, (about 70% of which was in urban occupations) 1,735 discontinued, but the Department placed 4,747 in employment (36%) and another 39% remained in training for the following year. It is interesting that the Department connected its training with its placement section in these years. The physical training courses were conducted in British Columbia, Alberta and a few in Manitoba, while most of the rural training was done in Quebec, although all provinces participated to a lesser degree. Further, there is no embarrassment evident in offering the cultural and physical training under the same heading as employment courses. Times were hard (1939 had an official unemployment rate of 11.4%) and keeping young people busy was considered

a legitimate government response. The provinces training highest number of participants in urban occupations were Manitoba and Saskatchewan, and not as would be expected Ontario. The instruction time and type of course varied, some training was institutional, some on-the-job and some a mixture of both. If any study was planned on the effectiveness of the program, the outbreak of war seems to have curtailed it. From 1940 onward the Youth Training program was carried on under the Youth Training Act.

The Youth Training Act, 1939.

This act appropriated \$1.5 million for the training of young people between the ages of 16 and 30 "who were not gainfully employed and whose parents were not in a position to pay for the full cost of their training"⁷⁸. The province selected the trainees, subject to a Dominion representative's approval. The Dominion could suggest but not initiate projects. The program was administered by the Unemployment Relief Branch, with two additions only of staff. On the staff for the program, it was reported that it gave employment to 236 full time, 724 seasonal and 639 part-time or 149,009 man-days, for the year, 1940. As before, only a small proportion of the courses were intended for wage occupations so comparison with later years is very limited. As the war progressed, more skill training was undertaken. For example, young men were trained as air mechanics under this program, for which the Dominion paid more than the

usual 50% upon their enlisting in the R.C.A.F.. However, in addition to skill training more emphasis was placed on physical recreation and "instruction in citizenship". Also under this program up to \$200 was paid to needy university students with good academic records, to enable them to complete degrees.

National Forestry Programme, 1939

This was \$1 million programme designed for unemployed, young men, aged 18-25, from poor families, selected by a board consisting of representatives from the Dominion Departments of Forestry and Labour, the Provincial Forest Service and offices of the Employment Service of Canada. They received about four hours per week training, some supervised recreation and worked for forty-four hours. They were paid training allowances, varying from province to province, of about \$1. per day. In 1940, about a quarter of the 4,723 trainees quit or were discharged, and of the remainder only 29% of the graduates found employment, and that included enlisting. In most other respects this program resembled the Youth Training program.

In September of 1939 Canada entered the Second World War without ever getting to the preliminary stage of solving the problems exposed by the Rowell-Sirois Commission, although the report made clear that it was the responsibility of the federal government to help the provinces execute training of the unemployed. Further, one institutional

product of the depression was the establishment of a central bank, for the purpose, as it said in the preamble to the Act of incorporation, "to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action and generally to promote the economic and financial welfare of the Dominion."⁷⁹

During the period 1930-1937. the Dominion government assumed about 40% of the bill for unemployment relief.⁸⁰ In addition, as the provinces came close to bankruptcy trying to finance their relief programs, the Dominion gave emergency, unconditional subsidies, but did not attempt to control or supervise the programs. It was obvious that the federal system had broken down from a financial viewpoint. During this period the bitter fights between provincial and dominion governments, and the desperate efforts of the latter to escape responsibility for unemployment left a indelible memory of the political wasteland awaiting any government which attempted to solve the problem. Make work, mobility and placement seemed to have little impact on unemployment and were all politically unpopular. The training rehabilitation programs of this period were seen as relief measures in view of the failure of other policy, rather than,

as they were later to become, the cure for unemployment.

CHAPTER 3: THE SECOND WORLD WAR

CHAPTER 3: SECOND WORLD WAR

The demands for labour during this period, combined with the real national emergency and the rapid increase in new technology produced training programs which increased skills, efficiency and raised the earning power of the individual. Not only did training programs gain prestige and popularity in comparison to other manpower initiatives but the power of the Department of Labour grew dramatically during this period. As before, the introduction of the Vocation Training Co-ordination Act, 1942, coincided with a big increase in union membership.

From the point of view of allied war effort, one good result of the depression and the governments' helplessness was the stockpiling of wood, grain and other foodstuffs which had occurred due to poor markets and a surplus of workers in primary industry. For the first two years of war, however, there was still unemployment because of this stockpiling until the full-scale war production cured the problem. For this reason the government permitted freedom of movement of labour between all industries and the higher wages in the urban areas attracted large numbers of workers from the farms. "In agriculture alone, it is estimated that during the first three years of the war, some 325,000 male workers left Canadian farms....one out of four went into the services; the other three obtained jobs on wartime

construction projects."⁸¹

Government responsibilities expanded during the war years. In 1938, government expenditures accounted for 15% of the gross national income, but by 1944 government spent over 40%. There was also a rapid expansion of industrial production. "Canada had become the fourth industrial country among the United Nations, with the two largest blast-furnaces in the British Empire, a rate of industrial production double the pre-war rate, a steel production double that of pre-war, an aluminum production six times pre-war and - despite a decline both in acreage cultivated and in agricultural employment - an expansion of agricultural production by some 60%."⁸²

There were 750,000 Canadians in the armed forces by 1944 and the number of workers in war industries grew from 121,000 in 1939 to 994,000. After Dunkirk the National Resources Mobilization Act reintroduced conscription but for home defence only. The National War Services Boards were empowered to give postponements of military training to workers in essential industry. The administration of these regulations was transferred to the Department of Labour in 1942. As the war intensified and the demand for manpower became acute, the government had to go to the people and ask to be given the power to extend conscription to overseas service. The split between English and French Canada was unmistakable. The government, fearing French reaction if

the local conscripts were shipped overseas, added "if necessary". Government then attempted to increase the efficient utilization of existing manpower. By 1943 the importance of retaining essential manpower in agriculture forced the Minister of Labour to announce a policy designed to increase stability. It was the government's intent:

1. To augment, wherever possible, the farm labor force to help meet both seasonal and year round requirements, through co-operation with the provinces in recruiting, transporting and placing workers in agriculture.

2. To increase the efficiency of the farm working force by moving workers from low to high productive farms, by assisting movements of labour temporarily from surplus to shortage areas and in other ways.

3. To continue the manpower regulations prohibiting farm workers from accepting employment outside of agriculture and permitting essential farm workers to obtain postponement of military training until further notice, but, to provide under certain conditions, for manpower in agriculture to be shared with closely related essential industries on a reciprocal seasonal basis.⁸³

The formal co-operation between federal and provincial government which this policy of recruitment and transportation necessitated led eventually to a pooling of the provincial agricultural field organizations and the employment placement facilities of the federal government. In Saskatchewan, for example about 1,000 farm workers were moved to other farms which were judged to be capable of greater productivity. This represented about 5% of those workers receiving war service postponements, and was judged to be very efficient. Under the threat of cancellation of the postponement order the government could demand obedience from

workers and increase productivity. However, this was not a big program. Both governments shared costs 50-50 and in addition the federal government paid 100% of interprovincial transportation and publicity. The federal bill was just over half a million dollars. It was attempted to train urban youth in agriculture but the results indicated that on the job training was more effective. In short, the war years gave government experience in all forms of manpower management. The urgencies of war created the need and the will to co-operate and to organize labour in the most efficient ways. Youth, the aged, conscientious objectors, prisoners of war - no segment of the labour market was left untapped. The size of government had increased to orchestrate manpower and as peace came it was never demobilized.

With the advent of war, the conditions were favorable to union growth and strikes reappeared.

(See Chart IV). Between 1935 and 1942, membership grew from 280,000 to almost 580,000. As in 1913, 1919, 1937 when membership increased a training program appeared. In 1942 it was The Vocational Training Co-ordination Act, 1942, which set up advisory councils made up of employers, unions and the provincial government. The federal government committed 25 million dollars to support training by the provinces, but like its predecessor of 1919, half the funds were not used 18 years later.

The following is a brief summary of main features of the programs offered between 1939 and 1945:

Dominion-Provincial War Emergency Training Program, was a special schedule attached to the Youth Training Agreement, and applied to those trained in skilled and semi-skilled trades for the war industries and armed forces, and for this section the federal government paid full cost of many aspects of training and shared costs on others. Preference was given to Veterans, and men over 40. An allowance was paid to trainees as well as travelling expenses.

Unlike the experience of peace time, there was far greater contact with industry. The provinces were informed of war contracts awarded and training was given to meet the requirements of employers. Surplus workers were moved to areas where they were needed. During the war years, 181,733 people were trained for industry, and 123,699 for the armed services, at a cost of 24 million dollars.⁸⁴

It was under the War Emergency Training Program that the federal government developed its training in industry program where it paid full costs for training facilities, instructors, equipment, and supervised the course. How much real supervision it did is not known.

Vocation Training Co-ordination Act, 1942

The Youth Training Act expired in March, 1942, and its replacement was a more general Act, to provide war time training needs. In the Act vocational training was defined

as "any form of instruction, the purpose of which is to fit any person for gainful employment, or to increase his skill or efficiency" in any primary or secondary industry in Canada.

A Vocational Training Advisory Council was appointed with four sub-committees: (a) Industrial Training and Apprenticeship, (b) Agricultural and Rural Training (c) Rehabilitation Training for Discharged Members of the Forces (d) Assistance to Vocational Schools⁸⁵. The Council was originally composed of 16 members, representing employer, employee, technical education, women's organizations, agriculture, war veterans and adult education, and it met twice yearly.⁸⁶,

Types of training projects and number of persons enrolled during a year can be seen in Table VI.

Under this legislation Federal-provincial apprentice training agreements were begun in 1944 and enrollments grew from 412 trainees to 14,488 in 1960, costing over the period \$12.6 million. In 1945 the Vocational Schools Assistance Agreement was introduced which provided federal assistance for secondary schools (and for Grade 9 if 50% of the time was devoted to vocational subjects) in the following manner:

(a) an outright annual grant of \$1.9 million for the ten year period to be allotted among the provinces in proportion to the 15-19 year old age group - to be matched by the province;

(b) \$10 million for capital expenditures to be allotted

among the provinces in proportion to the 15-19 year old age

TABLE VI: Number of Persons Enrolled in Training Programs
in 1944 and Expenditures Incurred

Types of Training Projects and Nummber of Persons Enrolled during the fiscal year ended March 31, 1944	
Youth Training.....	17,356
Student Aid.....	2,467
Training for the Armed Forces -	
R.C.A.F. Classes.....	32,152
Army Classes.....	13,538
Navy Classes.....	3,941
	<u>49,631</u>
Rehabilitation of Discharged Personnel.....	2,056
Industrial Classes -	
Full-time Classes.....	17,523
Part-time Classes.....	14,926
Plant Schools.....	19,893
Foremanship.....	27,391
	<u>151,24</u>

Approximate Expenditures Incurred by the Dominion Government
during the fiscal year ended March 31, 1944

Youth Training	\$114,000
Student Aid and Grants to Universities	363,000
R.C.A.F. Classes (Schedule G)	1,340,000
Industrial Army, Navy (Schedule K)	3,380,000
Rehabilitation of Discharged Personnel (Schedule L)	125,000
Departmental Administration	37,000
	<u>5,370,000</u>
Total	

Source: Annual Report, Department of Labour, 1944, p.30.

group - to be matched by the province and approved by the federal government before March 31, 1948.

Table VII shows the distribution of funds to the various provinces under Vocational Schools Assistance Agreement, 1945-1957.

The war years brought government into direct contact with business and left the populace with a positive feeling about training programs. They were associated with winning, with full employment, with efficiency and national pride.

TABLE VII: Federal Assistance to Provinces under Vocational Schools Assistance Agreement, 1945-1957

	Annual Allotment \$	Capital Assistance \$	Total \$
Nfld.	434,945.23	292,250.00	727,195.23
P.E.I.	298,092.33	81,999.99	380,092.32
N.S.	974,380.48	446,358.59	1,420,739.07
N.B.	1,086,799.34	433,000.00	1,519,799.34
Que.	7,460,262.44	3,139,400.00	10,599,662.44
Ont.	7,110,500.00	2,807,685.93	9,918,185.93
Man.	1,047,699.24	449,407.78	1,497,107.02
Sask.	1,593,859.40	857,563.48	2,451,422.88
Alta.	1,689,390.37	700,200.00	2,389,590.37
B.C.	1,542,429.54	595,399.99	2,137,829.53
N.W.T.	13,265.94	-	13,265.94
Y.T.	4,673.15	2,586.82	7,259.97
TOTALS	23,256,297.46	9,805,852.58	33,062,150.04

Source: Glendenning, D., A Review of Federal Legislation Relating to Technical and Vocational Education in Canada, p. 44.

CHAPTER 4: POST WAR PERIOD

CHAPTER 4: POST WAR PERIOD

A boom economy, and rising wages kept union unrest to a minimum until unemployment reappeared towards the end of the 1950's, and strikes and lockouts increased. The answer was the Technical and Vocational Training Assistance Act, at that date, the most comprehensive manpower legislation ever drafted. This Act combined the concepts of supporting vocational training for people seeking goals with training a special group of people - the unemployed.

Unemployment was not a problem in the decade following the War. The economy was booming, there was increased demand for all nature of goods. There were increases in population, in production and in income. Prices rose but not as fast as wages. The problems of technological change and automation were being demonstrated with greater frequency as the 1950's progressed and Union membership grew steadily. In 1951 it topped the million mark and comprised 28.4% of non-agricultural workers. By 1956 it was 1.35 million. and improvement in wages, fringe benefits and working conditions reflected this. The power of unions was becoming very obvious when the U.A.W. won from the Ford Motor Company supplementary unemployment benefits, financed by the company. Unions began to negotiate for clauses protecting hiring and firing, promotions and transfers.⁸⁷ There was, during this period very little industrial strife. However, inflation increased

steadily and the employers blamed organized labour. 1958 saw unemployment jump to 7% - the worst figure for sixteen years.

With it came a gradual increase of worker unrest, and the 1960's went on record as "among the most turbulent in labour history."⁸⁸ 1958 had seen the beginning of "a broadly based people's political movement which embraces the C.C.F., the labour movement, farmer organizations, professional people and other liberally minded persons interested in basic social reform..⁸⁹ which was to become the N.D.P.

Writing in "Canadian Labour" in September, 1959,, the Hon. Michael Starr, Minister of Labour, announced the intention of the government to provide "financial support, both for higher education and for vocational training" so that changing technology and increasing competition could be handled. His Department had been working on research into automation and reporting to the House in July, 1960 said:

Technological changes are not affecting all kinds of semi-skilled and unskilled workers to the same extent. They are resulting in a decreased need for semi-skilled machine operators. Automated transfer equipment and conveyor systems have replaced much unskilled labour formerly employed in material handling jobs. On the other hand, assembly occupations which are usually semi-skilled have been affected to a much lesser extent....

The studies carried out so far suggest that while little difficulty is usually encountered in retraining production workers for the jobs created by technological changes, problems have been encountered in retraining workers for the more skilled and technician jobs which are growing more rapidly. The main

difficulty appears to be the insufficient formal education held by many semi-skilled workers today.

Senior clerical jobs appeared to be on the decline but were being replaced by new occupations - systems analysts, programmers, etc., but that "on the whole, these new occupations are more complex than the old clerical ones they are replacing and tend to require much more formal education than routine clerical work."⁹⁰ As to the effect automation and technological changes were having on lay offs, the Minister felt that it depended on the state of the industry, whether it was growing or in decline, but that the more education one had the "less are the chances of losing one's job or being unemployed for long because of technological change".⁹¹ The governments answer was financial assistance to the provinces to increase training programs and a stay at school longer campaign.

As usual, where education or training was concerned, the unions were most supportive. It was the Canadian Labour Congress that had urged the enquiry into automation in 1957.⁹² However, the Congress' own program for education was more comprehensive. It stressed the need for more financial assistance for better quality education from grade school to university; a university scholarship program ; to establish advanced technical institutes; to increase quality of teachers through training and adequate salary and a school

construction programme.⁹³ Quite clearly, what the Congress had in mind was the removal of barriers and the establishment of better quality education. Further it was not seen as the answer to unemployment. In his address to the 1959 International Labour Organization, Stanley Knowles, outlined measures to end mass-unemployment by "special fiscal and taxation incentives", though better research and increased benefits to help boost purchasing power. He challenged the economic definition of inflation of too much money chasing too few goods and suggested that it was caused by "people not having enough money to buy back the abundance of goods they are producing."⁹⁴

As in the past, as labour unrest increased the government introduced a new training program:

Technical and Vocational Training Assistance Act, 1960.

An increase in the rate of unemployment during the late 1950's, forced the federal government to raise the grant from fifty to 75% under the 1942 Act and by the end of the 1960 produced the Technical and Vocational Training Assistance Act, 1960, which was just a grander version of the 1942 Act, but reintroducing the emphasis on skill training as envisaged under the 1919 legislation, enlarging the training facilities in schools. This act focused on retraining the existing workforce which was facing obsolescence as well as better technical training of the youth of Canada. There were two sets of agreements - the first dealt with apprenticeship and

the second with ten different forms of worker training:

1. Vocational high school training - any course of regular, technical or vocational high school which devoted at least 50% of instruction to preparing for an occupation.
2. Technician Training - for post-secondary level - with an emphasis on mathematics-science-engineering - the courses were from two to three years' duration - all containing 2,400 hours of instruction and led to a Diploma.
- 3 Trade and Other Occupational Training - for those above school leaving age who were employed, seeking upgrading, or retraining.- a choice from over 100 occupations.
- 4 Training in Co-operation with Industry - training for the employed, on the job training, part or full time - concerned primarily with upgrading.
5. Training for the Unemployed - training to increase the skills level of the group - and accepted the necessity of upgrading general educational levels in order to permit entry to technical courses with entrance requirements.
6. Training for the Disabled
7. Training of Technical and Vocational Teachers.
8. Training for Federal Departments and Agencies.
9. Student aid, university students needing assistance to finish degrees.
- 10 Research.

The funding of the ten programs was shared between the federal and provincial governments as follows:

(a) Operating Costs

Program	1960	1961	1962	1963	1964	1965	1966
1-3	50/50	50/50	50/50	50/50	50/50	50/50	50/50
4	50/50	50/50	50/50	75/25	75/25	75/25	100/-*
5	75/25	75/25	75/25	90/10	90/10	90/10	100/-*
6-10							

* 100% of basic allowance + 90% of any supplementary

(b) Capital Costs

75% of all capital costs incurred in building, equipment, etc., was proposed by the federal government up to a deadline date set at 31st March, 1963. After the deadline the rate was to revert to 50%. This was later amended because of unequal provincial claims to \$480 per capita of the 15-19 year old population and the deadline was extended to 1970.⁹⁵

(c) Enrolments

Program.	1961	1962	1963	1964	1965	1966
			(thousand)			
1	-	120	164	189	214	239
2	-	12	14	20	22	28
3	-	-	27	57	60	76
4	2	4	8	9	20	39
5	27	38	49	60	81	150

Source: Glendenning, D., op.cit.

This legislation has been described as "the federal government's first tentative attack on economic problems through manpower policy".⁹⁶ However, apart from the size of its budget it introduced no new concept.

The necessity for this legislation at this date was due to the impending entry into the labour market of the baby boomers. This is dramatically shown in Distribution of Working Age Population, Canada, 1961, 1975, 1980 and 1985

CHART 12:

Distribution of Working Age Population, Canada, 1961, 1975, 1980, and 1985

^a Refers to the population aged 15 years and over

^b Estimated population of Canada as of June 1 based on Census data.

^c Based on Statistics Canada's population projection B, which assumes an international migration of 60,000 people per year

Sources: Statistics Canada, *Population Estimates, by Marital Status, Age and Sex, for Canada and Provinces, 1962* (Ottawa: Queen's Printer, 1964); Statistics Canada, *Population of Canada and the Provinces, by Sex and Age Group, Estimates as of June 1, 1975* (Ottawa: Information Canada, 1976), and Statistics Canada, *Population Projections for Canada and the Provinces, 1972-2001* (Ottawa: Information Canada, 1974), pp. 119-33

CHART IV: *TRADE UNION MEMBERSHIP IN CANADA*
MEMBERS
1911 - 1942

Source: Annual Report, Department of Labour, 1943, p.10.

(See Chart V).

In addition, the unemployment rate had been rising steadily during the 1950's, as can be seen in Table VIII: Unemployment as a percentage of the civilian labour force:

Table VIII:

UNEMPLOYMENT AS A PERCENTAGE OF CIVILIAN LABOUR FORCE

1926	1929	1933	1937	1939	1943	1946	1949
3.0%	2.9	19.3	9.1	11.4	11.7	3.4	3.0
1950	1951	1952	1953	1954	1955	1956	1957
3.6	2.4	2.9	3.0	4.6	4.4	3.4	4.6
1958	1959	1960	1961	1962	1963	1964	1965
7.0	6.0	7.0	7.1	5.9	5.5	4.7	3.9
1966	1967	1968	1969	1970	1971	1972	1973
3.6	4.1	4.8	4.7	5.9	6.4	6.3	5.6
1974	1975	1976	1977	1978	1979	1980	1981
5.4	6.9	7.1	8.1	8.3	7.4	7.5	7.5
1982	1983	1984	1985				
11.0	11.9	11.3	10.5				

Source: McConnell, C.R., Pope, W.H., Economics.

In addition to the baby boom and rising unemployment, one author lists among the reasons for establishing a manpower policy at this time, "a considerable growth in the requirements for skilled manpower, - a drop in the number of skilled workers or technicians immigrating to Canada, - the inadequacy of on-the-job training as a means of assuring the qualifications of workers - the small number of secondary

school students drawn to technical courses".⁹⁷ Many writers attribute the interest in manpower policy to changes in the work force - the rural to urban shift, for example, or the technological advances and the ever changing skills required by industry.⁹⁸ In short, there were endless reasons for increasing training programs and none against.

The Special Committee of the Senate on Manpower, 1960, stated:

Nothing has impressed the Committee more than the very heavy incidence of unemployment among young people, the unskilled, and the inadequately educated.....Every study that has been made reveals that in the economy of today the emphasis is increasingly on skill and training, and every forecast that has been prepared indicates clearly that this trend will continue in the years ahead.. The opportunities for unskilled and semi skilled workers are becoming more and more limited as time passes.⁹⁹

The emphasis on "skill" and not just any training in the Senate's report was, of course, the crucial point. Labour market surveys since the end of the war showed a definite trend towards an increase in the percentage of white collar workers and growth in the tertiary sector.

Expenditures under T.V.T.A.

The increased rate of government spending on training programs can be seen from Table IX.

Table IX: Summary of Previous Legislation and Expenditures

Between 1912 and 1960 the following legislation was drafted concerning technical or vocational training:

Agricultural Aid Act 1912
 Agricultural Instruction Act, 1913
 Technical Education Act, 1919 -
 Vocation Education Act, 1931 (not proclaimed, no funds spent)
 Unemployment and Agricultural Assistance Act, 1937
 Youth Training Act, 1939
 Vocational Training Co-ordination Act, 1942
 Veterans Rehabilitation Act, 1945.

It is estimated¹⁰⁰ that total expenditure for operating and capital for the 1912-1960 period was \$110 million.

In contrast, the approximate federal expenditures for T.V.T.A. were:

Operating Costs:

T.V.T.A., 1961-67	Mill.\$	% of total
Program 1.	14.1	(7%)
Program 2.	37.4	(20%)
Program 3.	14.2	(7%)
Program 4.	2.3	(1%)
Program 5..	113.8	(60%)
Program 6...	4.0	(2%)
Program 7-10	<u>4.0</u>	(2%)

189.8 million dollars(, plus a further bill for apprentices of 9.5 million dollars.¹⁰¹).

(Dupre et al. say that the bill was \$259 in operating costs but do not itemize it¹⁰² plus \$592 million capital costs.)

Capital Costs: \$592 million.

Sources: Glendenning D., A Review of Federal Legislation Relating to Technical and Vocational Education in Canada., Dupre, J.S., et al., Federalism and Policy Development: the case of Adult Occupational Training in Ontario.

While the unemployment rate decreased after the introduction of the legislation, the soaring enrolment figures saw Program 5 occupy 60% of the budget for operation.

While Program 5 was originally seen as a temporary measure to counter the 7% unemployment rate, the legislation produced an enormous increase in federal spending on manpower. The political appeal of this was later exploited by the federal government. Whereas before the electorate tended to think that government mismanagement of the economy played a big role in unemployment, now it could be shown that the problem was either the provinces' poor handling of education or the individual's lack of commitment to scholarship or training.

While the Royal Commission of 1910 had stressed the relationship of deadend jobs and poor training, they did not tie it into unemployment. In the 1960's the association between poor training and unemployment was stressed to such an extent that, in later years it would appear that there was causal relationship between them.

In summary, it can be seen that the Department of Labour was committed to and experienced in labour negotiations. As adjudicators in the fight between labour and employers they maintained a stable environment and tilted the control scale in the favour of the employer. Canada led the world as a safe place to set up business. Up to the 1960's, a more decisive, directive role was not the business of this

Department. The split in Dominion/Provincial jurisdiction on labour issues, whereby the provinces had jurisdiction over wages, hours and conditions in industry, over property and civil rights, had limited the power of the Dominion to legislate. Up to the Second World War, of the sixty-seven draft conventions forward to its members by the International Labour Organization, Canada ratified only nine.¹⁰³ The Department's excursions into any comprehensive manpower policy were in times of war, when moving, placing and training workers was made possible only by the emergency. In times of peace the Department was unable to tackle manpower problems. As MacKenzie King put it "...because the Department of Labour, like other government departments, is formed to carry on the business of normal times, not to deal with such abnormal and exceptional conditions as the unemployment in Canada has presented."¹⁰⁴

The use of training programs in times of labour unrest and union militancy was a consistent reaction by the Department of Labour. However, the Dominion government's training legislation during this period had developed two distinct elements - the legitimate, permanent role as benefactor and stimulator of skill development, and, secondly, the temporary, make-shift relief measures of the unemployment rehabilitation schemes.

1. Cross, Michael S., Kealey, G.S., (eds.) "The Consolidation of Capitalism, 1896-1929, in Readings in Canadian Social History, Vol.4, McClelland & Stewart, Toronto, 1982, p.13.
2. Traves, T., in "The Consolidation of Capitalism, 1896-1929" in Cross, M.S., and Kealey, G.S., (eds.) Readings in Canadian Social History, Vol.4, McClelland & Stewart, Toronto, 1983, p.35.
3. McCormack, A.R., Reformers, Rebels and Revolutionaries. The Western Canadian Radical Movement, 1899-1919. U. of T. Press, 1977, p.48.
4. Wilson, J.D., Canadian Education: A History, Toronto, 1970.
5. Palmer, Brian D., "The Culture of Control" in Cross, M.S., and Kealey, G.S., (eds.) Readings in Canadian Social History, Vol.3, Canada's Age of Industry, 1849-1896, McClelland & Stewart, Toronto, 1982., p.133.
6. Palmer, Brian D., op.cit., p.134.
7. Palmer, Brian D. op.cit., p.138.
8. Palmer, Brian D., op.cit., p.144.
9. Woods, H.D., Labour Policy in Canada Macmillan, Toronto, 1973, p.59.
10. Woods, H.D., Op.cit., p.61.
11. Woods, H.D., Op.cit., p.61.
12. Woods, H.D., Op.cit., p.342.
13. Brady, Alexander, "The State and Economic Life" in Brown, G.W., Canada, Cambridge University Press, London, 1950, p.367.
14. 3rd Annual Report, Labour Organization in Canada , Department of Labour, Ottawa, 1914, p.9
15. 3rd Annual Report, op.cit., p.15.
16. 3rd Annual Report, op.cit., p.27.
17. 3rd Annual Report, op.cit., p.29.

2

Microlith

18. 4th Annual Report on Labour Organization in Canada, Ottawa, 1915, p.78.
19. 4th Annual Report, op.cit., p. 79.
20. Department of Labour, Annual Report, 1912.
21. Department of Labour, Annual Report, 1913, Ottawa.
22. Dupre, J.S. et al., Federalism and Policy Development - the case of adult occupational training in Ontario, University of Toronto Press, 1973, p.13.
23. Atherton, James J. The Department of Labour and Industrial Relations, 1900-1911, M.A. Thesis, Carleton University, 1972, p.296.
24. Letter reported in House of Commons, January 28, 1910., reprinted in Department of Labour Annual Report, 1914, p.66.
25. Atherton, J.J., Op cit., p.298-9.
26. Annual Report, Department of Labour, 1915, p.66.
27. Interim statement of the Royal Commission on Industrial Training and Technical Education, reprinted in Department of Labour, Annual Report, 1914, p.69.
28. Interim Report, op.cit., p.72.
29. Interim Report, op.cit., p.73.
30. Report of the Royal Commission on Industrial Training and Technical Education, Part I, reprinted in Department of Labour Annual Report, 1914, p.78.
31. Report, op.cit., p.81.
32. Report, op.cit., p.81.
33. Report, op.cit., p.82.
34. Glendenning, D. op.cit., p.5.
35. Higgins and Lermer, op. cit., p.239.
36. Glendenning, D. A Review of Federal Legislation Relating to Technical and Vocational Education in Canada, Department of Manpower and Immigration, Ottawa, 1968, p.10.
37. McCormack, A.R. op.cit., p.15

38. McCormack, A.R., Reformers, Rebels and Revolutionaries - The Western Canadian Radical Movement, 1899-1919 U. of Toronto Press, 1977, p.9
39. McCormack, A.R., Op.cit., p.10
40. McCormack, A.R., op.cit., p.11.
41. Avery, D., Canadian Immigration Policy and the Foreign Navy, 1889-1914 p. 58
42. Kealey, G. S., Palmer, B.D. "The Bonds of Unity: The Knights of Labour in Ontario, 1880-1900" in Social History, Vol.XIV, Nov.28, 1981, p.311
43. McCormack, A.R., op.cit., p.39
44. McCormack, A.R., op.cit., p.45.
45. Pariseau, J.J.B., Strikes and Disasters - Military Aid to the Civil Power in Canada, 1867-1933, Ottawa, 1973.
46. Macgillivray, Don, Military Aid to the Civil Power: The Cape Breton Experience in the 1920's, p. 120
47. Department of Labour, Annual Report, 1920, p.16.
48. Department of Labour, Annual Report, 1919, p.30.
49. Annual Report, 1920, op.cit., p.6
50. Annual Report, op.cit., p.6.
51. Annual Report, op.cit., p.11.
52. Annual Report, op.cit., p.11.
53. Annual Report, op.cit, p.10-11.
54. Creighton, D., Dominion of the North, Macmillan Co., Toronto, 1957, p.456.
55. Creighton, D., op.cit., p.459.
56. Creighton, D., op.cit., p.460.
57. Annual Report, Department of Labour, 1920. p.91.
58. Glendenning, D. op.cit. p.16.
59. Glendenning, D, op.cit.. p.17.

60. Third Annual Report, Director of Technical Education for Canada, 1922, p.9.
61. 6th Annual Report, Director of Technical Education for Canada, 1925, p.5.
62. Annual Report, Department of Labour, 1941, p.91.
63. Haythorne, G.V., National Selective Service, Agriculture, Forestry & Fisheries Division, History of Wartime Activities, unpublished notes prepared, Ottawa, 1946.
64. Creighton, D., op.cit., p.568.
65. Creighton, D., op.cit., p.479.
66. McNaught, K. "The 1930's" in Careless, J.M.S, and Craig Brown, R. (Eds.) Part One of The Canadians, 1867-1967, McMillan, Toronto, 1968, p.239.
67. Gilman, C.P., Sinclair, H.M., Unemployment, Army and Navy Veterans of Canada, Ottawa, 1935, p.80
68. Ibid., p.445
69. Dawson, R. MacGregor, "The Federal Constitution" in Brown, G.W. (eds.) Canada, Cambridge University Press, London, 1950, p.295.
70. Jamieson, S.M., Task Force on Labour Relations, Study No.22.. "Times of Trouble; Labour Unrest and Industrial Conflict in Canada, 1900-1966", Ottawa, 1968, p.193.
71. Jamieson, S.M. Op.Cit., p.233
72. McNaught, K. "The 1930's" op.cit., p.249.
73. Commons Debates, Mr. Blackmore, May 5, 1936, p.2526.
74. Commons Debates, Mr. Woodsworth, March 31, 1937, p.2342.
75. Commons Debates, Mr. Mackenzie King, March 31, 1937, p.2342.
76. Commons Debates, Mr. Woodsworth, March 31, 1937, p.2342.
77. Commons Debates, Mr. Massey, March 29, 1937, p.2281.
78. Annual Report, Department of Labour, 1941, p.101.

79. Higgins, B.H., Lerner, A., " Trends and Structure of the Economy" in Brown, G.W. (ed.) Canada, Univ of California Press, Berkeley, 1950. p.257
80. Creighton, D., op.cit., p.492.
81. Hawthorn, G.V., op.cit., p.3.
82. Higgins, B.H., Lerner, A., op.cit., p.259.
83. Haythorne, G.V., op.cit. p.12
84. Glendenning, D., op.cit. p.35.
85. Annual Report, Department of Labour, 1944, p.29.
86. Glendenning, D., op.cit., p.37.
87. Lazarus, M., Years of Hard Labour, O.F.L. publication, Toronto, 1974, p.62.
88. Lazarus, M., op.cit., p.73.
89. Scotton, C.A., Canadian Labour and Politics 1979, p.35.
90. Commons Debates, July 28, 1960, Hon. M.Starr, p.7146.
91. Commons Debates, op.cit., p.7149.
92. Canadian Labour Congress, Memorandum, submitted to the Dominion Government, Jan 23, 1957, in Canadian Labour February, 1957.
93. Report of the Canadian Labour Congress, Canadian Labour Vol.4, 1959.
94. Knowles, Stanley, speech entitled "The Labour Situation in Canada" to the International Labour Organization, 1959, in Canadian Labour , July, 1959, p.16.
95. Dupre, J.S., op.cit., p.19.
96. Paquet, P. op.cit.p 6.
97. Paquet, P., "The Development of Canadian Policy in Occupational Adult Education and Manpower" in Manpower Training at the Crossroads, conference Canadian Association for Adult Education, 1976, p.6
98. Dupre, J.S., op.cit., p.35.

99. Report of the Special Committee of the Senate on Manpower and Employers, 1960, p.8.

100. Dupre, J.S., Federalism and Policy Development, Toronto, 1973, p.17.

101. Glendenning, D. A Review of Federal Legislation Relating to Technical and Vocational Education in Canada, 1968, pp. 50-64. .

102. Dupre, J.S., op.cit., p.17.

103. Soward, F.H., "International Organization" in Brown, G.W., Canada, op.cit., p.549.

104. Commons Debates, March 29, 1937, p.1138.

PART II - "ACTIVE" MANPOWER POLICY

INTRODUCTION:

From 1967 the Federal government's role in manpower was said by the Economic Council of Canada to have undergone radical change. The forming of the Department of Manpower and Immigration and introduction of the Adult Occupational Training Act certainly produced a "new look". It is basically the purpose of Part II of this thesis to investigate the extent of real change and examine the objectives and motivation for its introduction.

As detailed in Part I, the Department of Labour gained experience in organizing the three main elements of manpower policy - training, job placement and mobility. The training programs were, in time of peace, not directly run by the federal authority. They were heavily funded by the federal government but the sensitivities of the provinces to encroachment on this educational territory, were respected. Mobility and job placement were not without provincial complications but were more directly administered by Ottawa. The new active manpower policy required the integration of all three elements and the Adult Occupational Training Act attempted to make this possible.

The objectives of the new manpower policy have been the subject of much discussion. The pronouncements by various Ministers and senior officers of the Department have been quoted, but they are often conflicting and always vague.

For this reason, I have extracted the descriptions and explanations contained in the Annual Reports of the Department of Employment and Immigration for the period 1967-1983. The objectives listed are consistent throughout the years, which is not particularly surprising, given such grand generalizations like economic growth, equity and stabilization. There is, however, almost no mention of how these objectives could be made compatible. There is a sameness to the Reports - the format is maintained from beginning to end. The same statistical tables appear. We are told how many were trained and how much it cost. We are given an economic thumbnail sketch of the state of the nation, but how this relates to what was done is never mentioned. In the first few years the program was operating a single sentence was devoted to the cost\benefit analysis. Afterwards, outcome was not even mentioned. No controlled statistical study was undertaken. For every year there is a great number of statistical tables available within the Department on the various aspects of the program. There is, however, no executive interpretation of them on a year by year basis. The evaluation studies appear to be extremely competent and objective, although hampered and confined always by the missing control group. However, it is impossible to match the recommendations from these studies with any action taken, because of the vague nature of reporting. Problems were mentioned in the old Department of Labour reports, and

change in administration of policy was recorded. From 1967 onward even though we were supposed to be benefitting from a more precise, scientific, active policy, receiving a greater percentage of the budget than ever before, there is a drastic reduction in official reporting. Reporting seems to have been the only economy practiced by this Department. Nevertheless, faced with a choice between Annual Reports and political conference statements, I have chosen the former.

Chapter 5 is, therefore, a brief outline of Departmental policy from 1967-1983, using data provided by Annual Reports. The marked change in government style is shown.

Chapter 6 is a summary of the major evaluations conducted on this program.

Chapter 7 is a discussion of the objectives and outcomes of manpower training programs. Here it is argued that real change did not occur and that in fact the stated objectives were never possible given the restrictions in the legislation and the way in which the Act was interpreted by the Department. Active manpower policy was, in reality, training programs and those programs were predominantly low skill, of short duration, and not shown to be related to job demand.

Movement up the ladder to better paying jobs was restricted by an immigration policy favouring skilled workers. The real change came in the way the Department avoided issues by insisting that unemployment was being addressed through training, thus upgrading training from a means to an end, and

avoiding the necessity for any direct action. It is argued that Training programs, therefore, continued, as in the past, to be control mechanisms.

CHAPTER 5: MANPOWER POLICY AS DESCRIBED BY THE DEPARTMENT,
1967-1983

Chapter 5: Manpower Policy as Described by the Department,
1967-1983.

The Economic Council of Canada recommended the bringing together of the Immigration Branch of the former Department of Citizenship and Immigration and a number of Department of Labour components in order to have under one administration, services dealing with the movement of workers to and within Canada as well as the "Occupational organization of the labour force through counselling, placement, training and mobility programs for workers"¹

The Federal Government's Vocational and technical training programs were judged by the Economic Council as ineffective in raising the skill levels of workers sufficient to increase productivity levels. The accelerating rate of economic change was seen to create new jobs, change the nature of others and make others redundant. "Improving productivity, rising living standards and full employment without inflation depend on people responding to these changing conditions"². The answer was an efficient employment service to match workers with jobs; more adult re-training for high demand jobs; grants to help explore job possibilities, moving grants to help relocate in areas where jobs existed, and an immigration policy that selected immigrants who were skilled in areas of manpower shortages or were willing to adapt and accept the jobs in demand.

The most crucial element of the plan was the Manpower

Centre. New employees trained in counselling were recruited whose job was described as helping people obtain the "most

suitable employment". 219 Manpower Centres were:

- (i) To assist workers by providing referral and placement services and by training and mobility programs
- (ii) To assist employers by providing recruitment and selection services.
- (iii) To assist in collecting and interpreting information about the local labour market.
- (iv) To advise and assist companies and agencies concerned with any aspect of manpower utilization and development³

Comprehensive information and analysis was to be done in conjunction with the Dominion Bureau of Statistics, which would give a continuous list of jobs available and occupational trends within the country. This was necessary for effective placement of existing workers but, more importantly, was to be the basis for choosing the right training programs to "improve employment and productivity" and to know the number and kind of immigrant required.

The mobility program of 1965 made loans and grants available under specified conditions to enable the unemployed to move to more promising locations. During 1966, for example, grants were made to 1,287 people, at a cost of \$930,132, and loans to 851 at a cost of \$450,677⁴. When accounts were tallied, over \$350,000 of the loan money was still outstanding and the loan system was discontinued in 1967 and the grants restrictions were liberalized so that those out of work four months in the previous six, before

application, became eligible. There were three sorts of mobility grants:

- (i) Trainee Travel Grants, which enabled the taking of occupational training courses in other localities,
- (ii) Exploratory Grants, permitting job search in other areas, and
- (iii) Relocation Grants, permitting movement to other districts.

"Freedom of movement is a vital concomitant of the right to work"⁵ In this context employability was to be maintained at an "adequate income level"⁶ Mobility was seen to be the key factor in maintaining productivity and the economic security of the worker. Movement was not only desirable, it was natural. "In Canada thousands of unemployed and under-employed workers annually move to other areas to obtain jobs. Indeed, most workers expect to move several times during their career so as to take advantage of employment opportunities".⁷

Adult Occupational Training Act 1967.

The Technical and Vocational Training Assistance Act expired in March, 1967, and a new Adult Occupational Training Act (1966-7) c.92, was introduced, whereby the Federal government assumed the responsibility of selecting and referring trainees and paid the full cost of training plus a living allowance.

The training part of this Act became known as the Canada

Manpower Training Program, and differed from its predecessor in that it was confined to adults already in the labour force or those out of school for one year or in apprenticeship courses. It was stated that a prospective trainee must be considered capable of benefiting from training. They were eligible for an allowance if they had dependents or had been in the labour force for three years prior to training. The size of the allowance varied with the number of dependents and the region. The amount was adjusted annually in accordance with changes in average hourly earnings in the manufacturing sector. The C.M.T.P. was divided into two sections:

- (i) Institutional - classroom lessons in a particular skill, language, general basic educational upgrading or apprenticeship and
- (ii) training-in-industry, which took students into plants, factories or offices as observers. They did not contribute to production.

The institutionalized portion of the program overshadowed the industrial section. For the proportion of trainees in the various segments see Appendix No.1

Full time training could last up to 52 weeks and part/time, 1820 hours. Naturally, the actual length of the training depended on the skill being acquired, but the average lasted from 16 to 22 weeks.

Under the Canada Manpower Training Program, tuition was purchased from public and private schools as well as industry. The objectives were listed as threefold:

1. To improve economic growth by more efficient labour markets and higher employee skills
2. To improve distribution of income by upgrading the employability and the earning capacity of those on the lower end of the scale
3. To contribute towards improved economic stabilization.

As the program progressed more objectives were itemized in the annual reports and it is difficult to say whether these were reflected by changes in operating procedure, or whether they were in fact contained within the more general terms originally listed.

In July, 1972, amendments were made to the Adult Occupational training Act so as to:

(a) eliminate the prerequisite three year attachment to the labour force as a necessary condition of eligibility for allowance;

(b) institute a basic allowance of \$30 a week for adults in training who were living at home with an employed parent or spouse;

(c) make eligibility for admission to training being out of school for twelve consecutive months, rather than twelve months preceding training;

(d) relax the restrictions on the paying of allowances

to trainees with no dependents.

These amendments were said to be necessary in order to take into account demographic data which showed a bigger percentage of unemployed in the younger age bracket and a bigger percentage of women entering the job market and their choosing of occupations other than the traditional female ones.

The high unemployment figures which began to appear in the latter part of 1969 were seen as temporary. This was to be handled by a supplementary program for the unemployed which began in the 1970 fiscal year, had a budget of 18.5 million and provided training for 26,000 unemployed that year. In 1971-2,, the objectives of this special program were declared to be:

1. Alleviate unemployment
2. Improve the skills of the workforce
3. Contribute to community betterment
4. Encourage economic growth

The temporary nature of the unemployment problem was still paramount in departmental thinking. In fact, the blessings of the situation were described in the 1970-1 Report:

In terms of relatively heavy employment the program is particularly effective; by training unemployed workers there is no production loss and training allowances usually replace other forms of income. Workers trained in such slack periods form a pool of skilled workers for the next wave of economic expansion⁸

There was a token gesture towards establishing the generalized nature of the C.M.T.P. at this time in the offering of Small Business Management training, which honed the skills of farmers and small business owners or managers, and was carried over from T.V.T.A. Computerized data files were held on all trainees which contained information about pre-training work history. From this the Department calculated the percentages it regarded as "Employed" or "Unemployed".

On-the Job Training (C.M.T.J.P)

As the unemployment figures worsened, more money was earmarked for unemployment relief. On-the-job training was a variant of the Training in Industry and was introduced as an experimental project in the Fall of 1971. The department claimed that for 1971-2, 42,500 jobs had been created at a per capita cost of \$1,200 and that "a substantial number" had remained in permanent employment. In May, 1972 the Finance Minister proclaimed its unqualified success and gave 50 million to implement On-the-Job training and a further 10 million in December, 1972. A wage subsidy was paid to employers who hired trainees and paid them full wages. The subsidy could take the form of a tax incentive of a 150% write off of the trainees wages (which permitted 75% recovery of wages for firms at about a 50% income tax rate) or a direct payment of 75% of trainees wages, for firms unable to benefit from the tax incentive. The training period varied

from 6 weeks to 12 months and trainees had to be additions to the regular work force and were selected and referred by Canada Manpower Centres. Priority was given to those unemployed actively seeking employment and to those whose principal work barrier was lack of recent work experience. The general characteristics of trainees were 71% male, 64% under 24 years and 81% had 8-13 grade education level.

C.M.T.J.P. was "to encourage and assist employers to prepare for future expansion by engaging a substantial number of the unemployed employables in learning on the job skills that are transferable between employers, have a continuing value and that will increase their employability or earning capacity and prepare them to take advantage of future employment growth".⁹

Canada Manpower Industrial Training Program

In addition, the 1972 amendment produced the creation of Canada Manpower Industrial Training Program, whereby the Training-in-industry and the On-the-job Training were brought under one program and two new On- the- Job elements were added, one for Skill Shortages and one for the Disadvantaged.

From 1974 onward all these elements became known as Industrial Training (C.M.I.T.P.).

In 1973 the range of legitimate training proposals was widened to accept more employers and made the reimbursement rates dependent upon the needs of trainees and upon the objectives for which training was undertaken. In order to

achieve this it was said that a common objective had to be agreed upon with the provinces.

By 1974 the objectives of On-the-Job training were set out : to encourage employers to establish or improve existing training programs and thereby alleviate persistent skill shortages, prevent worker lay offs because of technological change and expand employment opportunities for unemployed and special needs clients. Special needs was to be given high priority and 85% of wages could be reimbursed for this sector.

The historical pattern of unemployment had always been constant. Increased demand in the economy produced an increased number of jobs available and a decrease in the unemployment figures. The Department noted in 1972 that while there were more jobs available this was not being reflected in the unemployment figures. Looking from the outside in, what change in direction this information initiated is impossible to tell. Was Training on-the-job for Skill Shortages, described by the Minister as a program "to train unemployed and underemployed workers for jobs which are vacant and for which fully qualified workers cannot be found", the Department's answer? If so, was this an admission that the institutional programs, (with their prime objective, economic growth, through efficient labour use) were a failure? If so, the enrolment figures did not reflect this, as the Industrial share of expenditure reached its

peak of just over 20% nine years later.

Job Creation Programs

Although the demand side of the Department's programs is outside the scope of this paper, from 1971 a variety existed.

Opportunities for Youth, a summer employment plan for students: Local Initiatives Program (LIP), temporary, seasonal unemployment; Local Employment Assistance Program (LEAP) for the chronically unemployed. At the height of the job creation programs only 32% of manpower budget was allocated to these measures.¹¹

The allocation of funds on the basis of rate of unemployment in the provinces was discontinued and from 1977 onward the provinces received a minimum guaranteed amount, reducing the unequal per capita provincial expenditures.

Critical Trade Skills Training CTST

After 1977 more effort was made to direct training towards specific occupations and areas where jobs already existed. Greater emphasis was placed on the higher and more complex skills with job openings. At first the average training period was still three months, but this was gradually extended. An example of this new emphasis was the special Helicopter Pilot Training Project whereby 32 companies in 9 regions trained 220 pilots in 16 specialty skills in an endeavour to eliminate the need for importing pilots. Similarly in 1978-9, in co-operation with tooling manufacturers association, 42 apprentices for general

machinist, tool and die, mold makers were taken on.

The Critical Trade Skills program was announced in September, 1978, which would provide assistance to firms willing to train Canadian workers in jobs previously taken by "offshore sources" and again the need for skills forecasting was acknowledged by giving 20 million for this purpose. It was tersely noted that success would depend on support from the provinces, private sector and unions!

From January, 1981 there was an increase in the contributions towards Critical Trade Skills Training, training in 25 trades designated in critically short supply. Trainee wages were reimbursed 100%, up to a maximum of \$250 a week for the first half of the training period (or up to one year) and 50% of trainee wages for the second half. The essential difference between General Industrial Training and Critical Trade Skills Training is the duration of the training period (one year as opposed to two years), the rates of reimbursement and the designated occupations. During 1981-2, the C.T.S.T.'s 5,486 trainees cost \$26.7 million (\$4,867 per capita), as opposed to the 67,746 trainees costing \$110 million in the General Industrial Training (\$1,624 per capita).

The Training Improvement Program which had been initiated in 1974, received a further 4.8 million was given to the provinces to enable them to increase the efficiency and effectiveness of the training, but was discontinued after 1978-9 with budgetary restraint measures.

Emphasis in obtaining employment for welfare recipients was intensified as provincial social service officers and CMC/CEC counsellors moved into each others departments in order to provide more effective placement.

In addition to ongoing internal evaluation there were three major labour market studies which concentrated on the efforts of Canada Manpower Training Programs. (See Ch.6)

By 1980 a member of the public reading the Annual Report could not possibly understand at a glance what was offered by Manpower. The clear division of programs which existed in the 1960's and early 1970's, was missing. For example, for a young woman entering the labour force, there is the Outreach Program, which improves employability for the hard to employ (and had 42% female clients); Affirmative Action program which promotes women's interests through Crown Corporations and industries benefitting from government contracts; the C.M.T.P. (offers 42% of its places to women); Young Canada Works, and The Youth Job Corps, which superceded the Summer Job Corps Program, aimed at the expansion of job opportunities for youth. Perhaps this is one of the reasons why the following year an organizational review was undertaken, and new legislation was prepared.

Market Information Gathering

From the commencement of C.M.T.P. it was acknowledged that success hung on the efficiency with which market

information and occupational shortages could be assessed. The Annual Reports contain little or no information about this process. In the House, when debating the new bill the Minister accepted the need for information improvement and outlined "what we call an occupational protective system".¹²(COPS) This, apparently, was superior to Canadian Occupational Forecasting Program (CORFOR) which replaced Forward Occupational Imbalance Listing (FOIL) which replaced Occupation Shortage Survey (OAS) - obviously, none of which had worked. This assumes, of course, that they were ever used.

The National Training Act

The task force report on Labour Market Development in the 1980's, tabled in the House in July, 1981, gave rise to the new National Training Act(proclaimed July, 1982) and in the words of the Department "fundamentally altered" government initiatives during the 1980's, to accommodate Canada's changing human resource needs. These "fundamentally altered" initiatives were described as re-directing training funds to eliminate "present and anticipated manpower bottlenecks".¹³ This was the aim described repeatedly from 1967 onward, but now it is referred to as critical skill needs. Prior to the introduction of the Act the general economic health was rapidly deteriorating in the last half of 1981, with the Real Gross Product figure showing -0.9%,-0.5% This decline in the

Gross National Product continued in 1982, and the unemployment rate rose from 8% to 12%, with youth unemployment at 20.1%.

As before under the National Training Act, the federal government entered into three year agreements with the provinces although in August new regulations were proclaimed which permitted greater administrative flexibility, such as enabling the purchase of training outside the country when necessary. The federal-provincial territorial training agreements provided for a needs committee which recommended and approved training plans, established priorities, and endeavoured to initiate industrial training. Instead of supporting training in two ways, as before, another area of support was introduced. It took the form of financial assistance to training institutions through a Skills Growth Fund which enabled institutions to adjust facilities to training needs. It paid for "the cost of purchase, erection or conversion of buildings, machinery, equipment and other facilities for use in approved training programs"¹⁴. It also "introduced" the concept of occupations of national importance.

Occupational training was no longer in vogue, the catch word became more "relevant" training.

The Department was subject to an almost constant Ministerial shuffle. During the period under review, the portfolio was held by: J. Marchand, A. MacEachen, Otto Lang, Bryce Mackasey, Bud Cullen, Roy Atkey, Lloyd Axworthy, John

Roberts, Flora MacDonald. Hand in hand with this went frequent change in Deputy Minister.

In line with the declaration that active manpower policy was a policy designed by economists and thus inheriting all the force of a scientific instrument, the Department in every Annual Report gives a market health report, in economic terms. In 1980, for example, it was said that the economy was sluggish but the government continued with inflation restraint measures. The real Gross National Product declined in two of the four quarters and over the whole year showed only a 2% increase. The growth rate of the labour force, it was said, declined to 2.9% and because of this the unemployment rate dropped to 7.4%, with youth unemployment recorded at 12.8%.

At no time does the Department relate these figures to the target figures of the original economic design, or on a year to year basis to their stated objectives. By stressing the number of jobs created or commenting on the high participation rates of women or youth, an analysis of manpower policy is always avoided. The size of the Department grew from approximately eight thousand in 1968 to about twenty seven thousand in 1984,¹⁵ that is, from 3.6% to 5.9% of total government employees.

Statistical data (See Appendix 1)

The cost of Industrial training occupied .5% of the total Manpower training budget in 1967 and grew to 3% in 1970. It jumped to 13% in 1972 then fell back to around 10% for four

years, then climbed to its peak in 1981 of 21%, including Critical Skills Training.

The number of trainees in 1967 was 17% of total enrolment and jumped to 21% in 1972, to climb at its height to 27% in 1979, dropping off in the latter years as the quality of the skills training was stressed. In 1967 Ontario accounted for over 90% of industrial trainees, and was cut down to approximately 30% by 1972.

While the number trained averaged around the 300,000 mark after 1967, the costs grew steadily. The percentage taken up by the allowances which started off being described as modest wages, and exceeded the cost of course purchase, ended up as approximately 20% of the institutional bill.

1. Department of Manpower and Immigration Canada, Annual Report for the Fiscal Year 1966-7, p.1.

2. Ibid., p.1.

3. Ibid., p.7.

4. Ibid., p.11.

5. Department of Manpower and Immigration Annual report 1968-1969, p.3.

6. Ibid., p.3.

7. Department of Manpower and Immigration Annual Report 1969-1970, p.4.

8. 1970-71 Annual Report The Department of Manpower and Immigration, p.7.

9. Department of Manpower and Immigration Annual Report, 1972, p.8.
10. Bryce Mackasey, address to the Toronto Lawyers Club, Toronto, September 27, 1972, quoted in Goldman, B, New Directions for Manpower Policy, op.cit., p.92.
11. Goldman, Barbara, New Directions for Manpower Policy, p.42.
12. Commons Debates, op. cit., p.18116.
13. Annual Report, 1981-2.
14. Annual Report, 1982-3, p.23.
15. Statistics Canada, Federal Government Employment, Oct-Dec, 1968 and April-June, 1984, 72-004.

CHAPTER 6: EVALUATION STUDIES

CHAPTER 6: EVALUATION STUDIES

The following is a summary of the various forms of evaluation given the training programs. They range from the concise Benefit-Cost variety, to thorough interdepartmental examinations to numerous, lengthy task force enquiries. Because of the lack of a control group up to 1985, the statistical analyses of the programs are mostly meaningless.

In the early years, Benefit-Cost evaluation was conducted by the Department to judge the success of their programs:

Benefits and Costs by Training Type				
B.T.S.D.:	-1970	1971	1972	1973
Total benefits (\$)	3,167	5,115	5,611	9,126
Total economic costs (\$)	891	1,086	1,321	1,474
Benefit-cost ratio	3.6	4.7	4.2	6.2
Skill:				
Total Benefits (\$)	5,734	6,541	6,794	9,131
Total economic costs (\$)	1,176	1,315	1,400	1,638
Benefit-cost ratio	4.9	5.0	4.9	5.6
Language:				
Total benefits (\$)	6,817	8,312	9,900	11,431
Total economic costs (\$)	1,071	1,125	1,312	1,466
Benefit-cost ratio	6.4	7.4	7.5	7.8

(Economic benefits include the increase in the trainee's annual income after training, projected over his working years to retirement. This figure is then discounted by 10% to allow for the discrepancy between today's dollar and the value of the dollar in the future.)

Economic benefits include course purchase costs, production foregone, departmental overhead, trainee's out-of-pocket expenses and other expenses, such as commuting, travel and living-away from home allowances. Training allowances are not included as economic costs, since these are considered to be transfer payments.)

Source: Goldman, B, New Directions for Manpower Policy, p.89

1975

Department of Manpower and Immigration Continuing Follow-up-

Survey - Report on Training Outcomes - graduates
Oct., 1974, to September, 1975

This survey was based on questionnaires sent out by mail three to four months after graduation (drop-outs were not included), 63% responded:

65% of respondents had found employment (47% working in occupations related to the course taken.)

B.T.S.D. - 31% found employment and 17% were taking further training.

Language - 59 % employed and 8% taking further training

1977. Interdepartmental Evaluation Study

An interdepartmental evaluation study made a distinction between training and education. Training, they said is a means to an end, rather than being an end in itself, as is the case with education. They recommended that the current long list of objectives be eliminated and that the only objective of each training program should be "to increase the earning capacity or opportunities for employment of individuals by providing them with skills or the basis for developing skills which are needed in the economy".

Training was not to be used for "short-term income redistribution among provinces, income maintenance, or to obtain reductions in the measured unemployment rate".¹

Resources, it was recommended should be allocated on the basis of expected employment opportunities in an occupation

and that notice should be taken of supplies of trained labour from other sources such as the private sector. The necessity was stressed for co-ordination of other sectors of manpower, such as immigration, mobility and job creation.

The study found it necessary to suggest that a separate allocation of funds for industrial training should be made to prevent the provinces diverting monies into educational institutions. However, because of the lack of empirical studies on the effectiveness of industrial training, the evaluators could not recommend an increased proportion of resources be allocated. High priority, they felt, should be given to undertaking some studies on the subject.

On studying the different sections in the institutional training it was found:

- (i) Skill training: positive returns in skill training were found in Ontario and the Prairies but in Quebec and the Atlantic provinces these positive returns were far from certain. In Quebec, for example, there was a high concentration of training in farming and related occupations where there were declining employment prospects. It was recommended that future skill training be based on anticipated employment opportunities.
- (ii) B.T.S.D.: both the operation and effectiveness of B.T.S.D. training was questioned, and no increase was recommended
- (iii) Apprenticeship: Persistent shortages were commented

upon and a joint federal/provincial analysis was recommended.

(iv) Language Training: Because of a high percentage of labour force withdrawal by females following training, eligibility criteria and adequacy of programs were recommended for review.

On going Evaluation Strategy: Since 1972, a record was kept of premarket experience and matched with post training experience in addition to the Cost/benefit analysis which the department had undertaken since the beginning of C.M.P.T. Because of the sheer complexity of the data, some statistical problems were inevitable and the evaluators recommended that:

emphasis be placed on identifying gains in employability or earnings resulting from training rather than on the production of benefit/cost ratios.²

and further attention should be given to:

...assessment of extent to which training is provided in skills which are needed in the community.³

In addition up to 1977 half of all trainees were never evaluated. Non-completers of institutional skill, B.T.S.D., language training, farming, apprentice and all part-time trainees and private institution students, were not assessed.

Further no comparison group against which the post-training labour market experience could be compared was ever assembled. Estimates were derived from a cost/benefit model of institutional skill and B.T.S.D. completers, based on a

single 15 month follow up of 1972 completers showing the economic benefits resulting from training, discounted over the potential working life of the trainee and compared to estimates of economic cost. As the years went by the changes in unemployment rates since 1972 made the employment estimates of the model less and less reliable. Bearing in mind the shortcomings of the method of analysis, the evaluators, nevertheless, estimated that benefits probably outweighed costs for the institutional training in all provinces except Quebec.

In 1974-5 with 80,000 trainees in Skills development:

- * the majority were concentrated in a small number of low skill occupations, clerical, farming, product fabricating, etc..

- * In Ontario clerical training accounted for 47% of skill training.

- * One-third of Quebec skill training was in farming (even though farming provides only 5% of occupations in the province), indicating that training was acting as unemployment insurance.

- * The Atlantic regions, B.C. and P.Q. accounted for about 60% of skill training enrolment, even though they were recording the highest slack labour markets.

- * On an occupational basis about one-third of trainees were in occupation groups for which the percentage of trainees exceeded the percentage of job vacancies.

* Low usage rate of skills in subsequent employment - one-half of trainees were not working in training occupation 15 months after training. Clerical and product fabricating have the lowest retention rates but the highest enrolment rates.

* Immigrants were being used for the higher level skills - technologist, draughtsman, machinist, welder, machine tool operator and widespread shortages continued. Apprenticeship training, was largely in the construction industry

B.T.S.D. - Only 20% went on to skill courses - 14% in Quebec.

Industrial - C.M.I.T.P - Because of changes in the nature of the program over the years, comparison was meaningless. In general, while the degree of employability did not seem to be increased, wage gains were recorded in all regions. 70% of placements were made in areas where skills were needed and 80% were employed nine to twelve months after and the majority with their training employer, half in the occupation of training.

Provincial/Federal agreements

Agreements made between the Federal and Provincial governments had a two or three year lifespan. The planning process commenced 18 months before the course and involves Manpower Needs Committee's forecasts of needs and resources required reviewed by headquarters and incorporated in program

forecast. The submission of the Department, Industry and the Institution are separate (rather than complementary) and the participation of employers and labour organizations in the planning process is, at best, minimal.

Manpower Needs Committees feel much of their time is wasted because their work has little bearing on the funds allocated.

In recent years funds have been stable, increases indicate inflation. Special program funds allocated have had little to do with Manpower Needs Committees. The minimum guarantee (90% rule) has accounted for 90% of total funds.

Regional allocation of funds has been done on incidence of unemployment and labour force distribution. Under the T.V.T.A., imbalances existed in favour of the richer provinces and the T.V.T.A. came to be a means of income redistribution. Until the early 1970's and Job creation programs were introduced, training was "assigned a role beyond its capabilities"⁴ The 90% rule which requires that the federal government purchase each year at least 90% of the volume of training days purchased the previous year, added to inflation, running at 10% in the early 1970's, made relocation of funds to different geographic areas very difficult. It was also blamed for the poor utilization of seats bought (e.g. 83.2% for Canada (1972-3))⁵

The inflexibilities, initially by means of the "90% rule" and subsequently through guaranteed floor levels have locked

in provincial distribution of expenditures which emerged in the early years.

Evaluation of National Institutional Training Program, June, 1985.

With the change of government, a control group was used in the examination of data. A summary of findings was:

The evaluation of NITP indicates that the post program achieved increases in employability and earnings for its participants in certain areas, notably where the pre-program work history of the clients was poor. But broad analysis in comparison with a control group did not yield proof of a positive impact that participation in N.I.T.P. might have had on EIC's trainee clients. Nor did much of the institutional training contribute to the reduction of skill shortages in the labour market."P.1.

Courses under BTSD and Skill average about 130 days scheduled duration but taking into account those who do not complete courses the duration is about 100 days. Skill programs offer a number of short courses and also a number that last over 200 days.

Multivariate analysis of factors associated with increased employability for participants: The pre-training proportion of time employed is highly significant in these regressions. This confirms the simple comparisons which show much greater improvement for those with low pre-training employability.....regression analysis indicates that there is not a significant difference between the proportion of time employed, weekly wages and annual earnings of participants and comparison

group members ⁶

In addition to Departmental evaluations, three major reports appeared in the 1980's:

1. "Work for Tomorrow" (The Allmand Report)

In 1980 parliament established a number of task forces to "enable it to come to grips with changes in the economy and society"⁷ and one of these was a three party special committee, chaired by Mr. Allmand, which produced "Work for Tomorrow", after travelling the country hearing the views of business, labour and education. Interpreted by the Minister, the task force "clearly showed that there were major faults in the present system". The "most important omission" said the Minister " was that the training system was "training a number of people for jobs that were not there, jobs that no longer existed."⁸ This, he confessed, was true to such an extent that 30% of trainees were in occupations that were in surplus supply. However "we needed more money, new institutions, and we needed to improve substantially our flexibility in order to produce a first-class training system". The Dupre Report, 1973,⁹ had made a number of recommendations to increase flexibility but no major change was made.

2. "Labour Market Development in the 1980's" (The Dodge Report)

The second major examination was done for the Minister of Employment and Immigration with the following terms of reference:

- Overview of labour demand and supply conditions as they are likely to emerge over the next decade with a view to identifying possible industrial, occupational and skill imbalances.
- To re-examine the concepts of employment, unemployment and labour force participation in light of the changing nature of production processes and lifestyles and to assess the implications for labour market and employment policies.
- To review and assess the adequacy and cost effectiveness of training programs (both public and private) in meeting the projected requirements for trained manpower and to investigate policy options for the provision of training services.
- To assess the requirements for net immigration to relieve excess demand for particular skills in the Canadian labour market.
- To assess the effect to employment and placement services as well as other government programs and regulations on the functioning of the labour markets and to suggest methods of improving information flows and efficiency with which labour demand and labour supply are matched.
- To examine problems faced by particular groups of individuals in participating fully and effectively in the

labour force on a fair and equitable basis and to suggest policies and programs to assist these groups in realizing their potential.

- To assess the role and impact of job creation programs on employment, output, productivity and to suggest improved methods of accomplishing the objectives of these programs.

The Committee's Report (known as the Dodge report) was submitted in 1981 entitled "Labour Market Development in the 1980's".¹⁰ This report criticized the allocation of funds to the provinces based on unemployment rates, saying "...notwithstanding the stated intention of the federal government to reinforce the employment objectives of the program in 1977, the actual allocations have continued to be dominated mainly by the earlier allocation patterns, based to a considerable degree on unemployment rates."¹¹ In Canada the report said "the dominant characteristic was the marked acceleration in labour force growth which began in the mid-1960's"¹² They analyzed the changing structure of the market, the different occupational demands and made projections of growth.

This Task Force reached two general conclusions:

1. As skill demand was being shifted from service skills towards goods and commercial skills, more of the latter should be produced. The difficulty in knowing precisely what these requirements were meant that the system must be adaptable and flexible.

2. That there should be a reduced and redirected level of federal funding for post-secondary education and low level skill training with increase funding for the middle and higher level skills. The Task Force thought greater financial support should come from the private sector (students and employers) which would help in producing more flexibility and adaptability. The block funding system was to be reduced and student aid funding increased. The length of training was to be extended to permit greater skill acquisition and industry was to be encouraged to play a greater role. Low level skill training should be reduced and replaced by job creation and on-the-job training.

The quality of training was questioned and national industrial manpower committees to review quality were recommended.

3. "In Short Supply: Jobs and Skills in the 1980's" (The Economic Council of Canada)

The third major analysis was done by the Economic Council of Canada and the report entitled "In Short Supply: Jobs and Skills in the 1980's". The National Training Act was introduced before the publication of the Report, which, for some reason took three years to produce. The Council's diagnosis of the problems encountered was lack of appropriate information and recommended the setting up of an independent research institute. The Employment Centres were "beset with many weaknesses" and catered mainly to the low-level skill

CHAPTER 7: THE OBJECTIVES OF FEDERAL TRAINING

In previous Chapters it has been argued that the unabashed goal of federal manpower policy has been to control and stabilize. In every line of the Department of Labour reports is written the pride felt in achieving industrial peace. Their conception of "conciliation" was to reduce the number of strikes and workers involved. In this regard, Canada's superiority to the United States and most other countries in the industrialized world was constantly mentioned. Speed of strike settlement and workers' rights were important to the extent to which they contributed to stabilization. The goals of economic efficiency and equity if they were discussed individually were clearly subordinate objectives. The old maxim that a stable market was a profitable market was the guiding principle of manpower policy. The purpose of this Chapter is to examine why in 1967 the government saw fit to declare a change in objectives.

There has been considerable discussion over the objectives of Canada Manpower Training Programs, set out as (i) growth, (ii) equity and (iii) stabilization. The Department claimed that the programs were primarily economic growth oriented and began by measuring them on a cost/benefit growth model. If Canada Manpower Training Programs had been designed specifically to meet the economic growth criterion, the use of the term "radical change" to describe them may have been warranted. However, I contend that Canada's Manpower

observers of the labour market, and particularly by those who frame its policies".¹⁵

In conclusion, it can be seen that early cost/benefit evaluations were narrow and uninformative. In the middle years the Department's own evaluations were frank and competent, but without a control group lacked weight. When the Conservative government reviewed the program and introduced a control group, what had been suspected from the outset was confirmed. With the exception of the extreme end of the distribution, that is, those with a poor work history, no significant difference was found between trainees with regard to employability, time employed and annual earnings, and those who had not received training.

1. Interdepartmental Evaluation Study of the Canada Manpower Training Program, Ottawa, 1977, p.2.

2. Evaluation study, op.cit., p.7.

3. Evaluation study, op.cit., p.8.

4. Program Evaluation, Op.cit., p.51

5. Letourneau, P., Functional Analysis - The Canada Manpower Training Program. Task Force, May, 1974, p.2.

6. Evaluation, N.I.T.P., June, 1985, p.10.

7. Commons Debates, L. Axworthy, June 4, 1982, p.18116.

8. Commons Debates, op.cit., 18116.

9. Sinnett, W.E., Federal Provincial Developments Leading Toward a Manpower Policy, Toronto, 1974. _____

10. Government of Canada, (Dodge Report), Labour Market Development in the 1980's, Ottawa, 1981.

11. "Labour Market Development in the 1980's" A Report prepared for the Minister of Employment and Immigration, Ottawa, July, 1981, p.34.

12. Dodge Report, op.cit., p.19.

13. Economic Council of Canada, In Short Supply: Jobs and Skills in the 1980s, Ottawa, 1982, p.107.

14. Economic Council of Canada, op.cit., p.83.

15. Economic Council of Canada, op.cit., p.72.

CHAPTER 7: THE OBJECTIVES OF FEDERAL TRAINING

commission, declared that the federal government had responsibility with regard to universities, and since 1952 it had paid subsidies on a per capita basis. By 1967, some \$400 million had been spent on the university level.¹³ Apart from need, some expenditure on technical education was due on grounds of equity.

In America, this stress on the importance of education in maintaining industrial leadership and high living standards had been evident for some time. In fact the importance of education to business had been demonstrated by the Germans in the early nineteenth century through the development of research laboratories¹⁴. By setting up the Honorary Advisory Council for Science and Industrial Research in 1916, which developed into the National Research Council, it can be seen that the connection between benefit to industry through increased knowledge was well established Canadian practice. In the 1950's the percentage of American university graduates was the highest in the world. Not only did America cherish education for the same reasons as did the rest of the industrialized world, but because of the particular influence of the Behaviorist school of psychology in that country, education became not just a quest for knowledge, but a means whereby fundamental change in the individual could be wrought. Watson in 1930 had written:

Give me a dozen healthy infants, well-formed,
and my own specified world to bring them up in
and I'll guarantee to take any one at random
and train him to become any type of specialist

policy for the period 1967 -1983 was more a change of form than of substance and reflected the changed style of federal government, rather than a radical change away from the reason training programs were used in the past. What was touted as a radical change - the embracing of an economic, active or theory dominated approach over the passive, hit or miss, disjointed measures of pre-1967 policy, was, in reality, like most "new and improved" products - designed to do what it had always done - control and stabilize.

The legislation was couched in general terms, claiming to apply to the whole population but, in reality, it targeted one group, the bottom end of the earning distribution. In my opinion the most "radical" aspect of the legislation was contained in preceding legislation which produced the separation of post secondary education and training programs. While the term "training programs" elicited the connotation of an egalitarian education program they were, in reality, the old style rehabilitation programs of the post depression years. Historically, they were the direct descendants of the 1937 unemployment relief programs. The illusion of their connection to education was enhanced by establishing an institutionalized setting. This was for the main part not connected to the regular education system which provided a means of progression to lucrative occupations. Like its ancestors, Canada Manpower Training programs were for short periods of time, in low skill areas and often had a strong

rehabilitation flavour, disguised under various "counselling" appellatives. The Adult Occupational Act converted what all pre-1967 politicians and bureaucrats acknowledged as temporary, make-shift and essentially unsuccessful programs, often not even intended for employment, into a cure for unemployment. Under this act training took on a power it never had before. In the late 1950's problems caused by automation and the skill levels of jobs were being discussed. After 1967, the emphasis is shifted back during this period from any consideration of the defects in the market and what constitutes work in our society to the need for changing the individual to fit the market, under the guise of economic growth. Further, it inhibited those interested in social problems from formally challenging the proclaimed outcome, because of lack of economic training. The use of prestigious organizations added to this gagging effect. Who is going to stand up and proclaim O.E.C.D. or the Economic Council of Canada, to be mistaken? Of course, when a particular issue is examined a subtle difference often exists between what these bodies actually said and what the government apparently heard. Further, it is not commonly understood, but bodies like O.E.C.D. often regurgitate policy supplied by the government itself.

I contend, therefore, that the period does not represent a time of radical change, and that the actions of the Department of Employment and Immigration, make perfect sense

if the period is interpreted in line with the old objective - control/stability. The change during this period, I will argue, is in the different way the federal government orchestrated its control. Whereas in the period up to 1967 the central government was direct and unashamed in its use of conciliation to produce stability, and to maintain the status quo, in the 1967-83 period the government became more subtle, less direct, more attuned to how things sounded. The illusion of concepts like "equity" were courted. Real equity was never truly a consideration. If results were discussed, one was forced to talk of three things at the same time - growth, equity and stabilization - or some strange combination of all three, regardless of how incompatible they were from the outset. The old values of logic and common sense were not important. What was important was the illusion; growth-equity-stabilization produced a very different feeling than growth-stabilization, or, heaven forbid, stabilization by itself. Depending on your point of view, therefore, it can be interpreted as a period of maturing or of moral decline.

In order to examine objectives, two fundamental questions have to be asked, namely, why did the federal government introduce any new legislation and why did it take such a peculiar form:

1. Why did the Federal Government introduce the Adult Occupational Training Act?

As to why any new legislation was required seems to lie in a combination of factors: growing labour unrest, the increased federal expenditure on the old T.V.T.A. without any political recognition; its concern for older workers and regional disparity. In addition the world trends towards increased attention to education, particularly the American comparison and the development of expert bodies like O.E.C.D. and the Economic Council of Canada confirmed the need for government intervention at this date.

(a) Labour Unrest

As in the past, training program legislation was preceded by a jump in union membership and in the number of work disturbances. In 1966, union membership increased by 9.5%, being "the highest percentage increase in any single year since 1952".¹ Further, 1966 saw the greatest number of strikes and lock-outs and man days lost since the collection of data began in 1901.²

From Table X, it can be seen that the number and duration of strikes in North America jumped dramatically in the 1965-9 period, and again in 1972 when the scope of eligibility was increased by amendments to the Act. It should be noted that Canada's record of industrial unrest was still far superior to many nations. For example, it was three times better than Australia's, and vastly superior when population

TABLE X: AVERAGE ANNUAL STRIKES AND STRIKER-DAYS IN FIFTEEN COUNTRIES

	Strikes				Striker-days ('000)			
	1955-9	1960-4	1965-9	1970-4	1955-9	1960-4	1965-9	1970-4
Australia	1,159	1,144	1,537	2,557	713	707	1,058	3,280
Canada	223	309	563	730	2,003	1,198	4,867	6,438
Denmark	33	40	29	96	226	485	71	846
Finland	60	57	90	946	1,602	322	180	1,270
France	2,040	2,003	1,885*	3,651	2,340	2,810	2,483*	3,436
India	1,409	1,611	2,406	2,971	6,504	5,714	15,682	21,984
Japan	785	1,215	1,467	3,164	5,151	4,479	3,343	5,871
Netherlands	60	69	25	33	81	117	22	217
Norway	20	10	6	12	241	147	11	79
South Africa	89	68	78	147†	12	23	11	67†
Sweden	14	18	18	74	51	17	94	215
United Kingdom	2,530	2,512	2,380	2,885	4,602	3,160	3,929	14,077
United States	3,844	3,466	4,742	5,458	24,340	18,600	36,540	43,412
West Germany		Not available			871	482	148	1,251

* French statistics are not available for 1968, the year of the near-revolutionary strike wave. Were these available and included, strikes and striker-days in 1965-9 would almost certainly be well above the figures for the two earlier periods.

† South African statistics are not available for 1974.

Source: International Labour Office, *Yearbook of Labour Statistics*.

Source: Hyman, Richard, *Strikes*, Collins Glasgow, 1978, p. 84.

TABLE XII: REGIONAL IMPACT OF CANADA MANPOWER TRAINING PROGRAM,
1973-74

Region	Proportion of		Proportion of		Expenditures Per Person ^b		Unemployment Rate ^c	Proportion of Total Unemployed ^d
	Total Expenditures ^a	(%)	Total Trainees ^a	(%)	in Labour Force (\$)	Unemployed (\$)		
Atlantic	15.7		12.9		81.96	909.00	9.1	13.3
Quebec	32.1		45.1		49.27	672.00	7.4	36.7
Ontario	24.1		19.5		31.27	764.00	4.1	28.1
Prairies	15.2		10.9		40.14	1,134.00	3.5	10.1
Pacific	8.9		11.5		34.56	579.00	6.0 ^e	11.8 ^f

^a Includes institutional and industrial training expenditures and trainees enrolled.

^b Calculated by Pierre Paquet.

^c This is a twelve-month (April, 1973, to March, 1974) average of unadjusted unemployment data.

^d For British Columbia only.

Sources: Pierre Paquet, "The Present Situation Current Operation of Canada Manpower Training," in *Manpower Training in the Twentieth Century*, papers presented at a conference held in Ottawa by the Institut canadien d'éducation des adultes and the Canadian Association for Adult Education on January 27, 28, and 29, 1976, pp. 25-29, and *Labour Force, op. cit.*, various issues.

Source: Goldman, Barbara, New Directions for Manpower Policy, p. 34.

is taken into account. However, the duration of the strike in Canada and the U.S. was prolonged, compared to the Australian or British figures. In Canada's case, markedly so. The average strike lasted 8,645 man days in the 1965-9 period, compared to the Australian figure of 688 days. It surpassed also the American figure of 7,706 days, (without correction for population difference). Further the figures are consistent over the years. From Table XIII it can be seen that in 1901 the average Canadian strike lasted 7,453 days; 1913: 6,817 days; 1919: 10,122 days; 1937: 3,188 days,; 1959: 10,310 days. The only year for relatively quick settlement was 1942: 1,272 days. The importance, therefore, of the government's sensitivity to the number of strikes can be appreciated. The worker has to be desperate to strike. Clearly a strike is more expensive for a Canadian worker than for those in the thirteen other countries compared in Table X. The Department of Labour consistently rejected compulsory arbitration. A training program can be relied upon to maintain the status quo.

(b) The Political Aspect

The T.V.T..A. program in force at the time was becoming increasingly expensive. In program 5, training for the unemployed, the number of trainees and cost was mushrooming.

In 1963 the Federal government paid \$10.4 million for 49,00 trainees; in 1964, \$13.5 million for 60,000 trainees and in 1965, \$23.9 million for 80,000 trainees³ - despite a decrease

in the rate of unemployment. As diagnosed by the Department: "It is agreed; that the most serious problem among the chronically unemployed is a lack of basic education."⁴ The federal government became responsible for paying 100% of the cost of what they saw as provincial failures, without any thanks from the electorate.

(c) Concern with Problems of Older Workers

The poor educational attainments of the older worker were examined by the Special Committee of the Senate on Aging⁵. The Committee recommended, among other things, that there was need for the older worker to be kept mobile and that the training programs under T.V.T.A. should be examined so as to "improve their effectiveness in attracting and holding students especially in the older age range.

(d) The Area Development Program

In a Statement prepared for the Minister of Labour to be given at the Federal-Provincial meeting of Deputy Ministers of Labour and Education held in January, 1966,⁶ it would appear that the government original intent was to implement Training in Industry. Since May of the previous year, according to a Cabinet document, consideration had been given to developing this form of training in connection with their Area Development Program.⁷ They were concerned "about developing programs to meet the immediate needs of the adult labour force and particularly the disadvantaged sectors".⁸

This arose because of a statement made by the Economic Council of Canada in its Second Annual Review:

There has not been any significant breakthrough in the training or retraining of existing members of the labour force. The need for a major thrust in this area is all the more important since it will take decades to raise the levels of skills of the total labour force if training is very generally limited to younger persons.⁹

At this date the government stated an intention to continue to develop suitable policy within the framework of T.V.T.A., which still handled ten different elements of training, including schools. The Minister urged co-operative education between school and business so that students would get training on-the-job and in the classrooms and have the opportunity to learn good work habits and attitudes.

The adult training and retraining, was part of a comprehensive development plan. It was proposed to offer firms financial assistance to establish in underdeveloped areas and, as a condition for the special financial assistance, they would be required to "indicate their expected manpower requirements and their proposed training programs for workers recruited in these areas."¹⁰ There was a need for new teaching methods suitable for adults and pilot projects were to be developed to embrace the total training needs of areas by:

- (1) assessing the training needs of people in the area
- (2) determining the training required to develop occupational competence for new job opportunities,
- (3) development of pre-vocational training in mathematics, science and communication skills,
- (4) preparation of occupational training and retraining materials and programs,
- (5) development of methods of vocational counselling and orientation
- (6) development of methods to motivate people to enrol for and persist in training and
- (7) promoting expanded training programs in industry.

The Prime Minister, Lester Pearson, in his opening statement at the Federal-Provincial conference in 1965, said that in areas of chronic unemployment his government was endeavouring to encourage industrial growth. These areas failed to provide residents with opportunities for developing "technical experience and skills".

He then made a remarkable jump in the next sentence, to say: "The lack of trained manpower thus becomes one of the factors that discourages the location of new industrial enterprises in these areas."¹¹ This breach of logic could be ignored except for the fact that in later years this did appear to be the "logic" underlying the Canada Manpower Training Program. This thinking seems to have originated with the Minister who wrote in early July, 1965:

Despite the tremendous expansion in vocational training that has taken place under the Act, the amount and kinds of training now undertaken in many areas of high unemployment are inadequate in terms of the needs of the people. In

designated areas there are difficult problems of promoting more training, springing from a variety of causes - low levels of income and education, lack of motivation, inadequate knowledge of the skills required or the means of acquiring them. The lack of available skills, in turn discourages the location of new industries in the area, and those that do locate most often bring in much of their labour from elsewhere. There is need, therefore, for more intensive programs in these areas to motivate workers and train them on a broader basis.¹²

The dangers of anticipating what training would be required are evident even when the manpower aspect is connected to the total development plan. However, when manpower became detached from the comprehensive industrial incentive program as well as from school education and eventually the training programs in industry did not materialize, training in a vacuum was never realistic. It just sounded good. It was this cart before the horse thinking that was the underlying principle of the Canada Manpower Training Program, and the poor horse never did catch up to the cart.

(e) External Forces

In all fairness, this dubious reasoning was not the sole product of the federal government. It had been receiving encouragement from O.E.C.D. since 1960, and from various sources who saw education as a cure-all for society's ills.

(i) Education:

In 1949 the Royal Commission on National Development in the Arts, Letters and Sciences, known as the Massey

commission, declared that the federal government had responsibility with regard to universities, and since 1952 it had paid subsidies on a per capita basis. By 1967, some \$400 million had been spent on the university level.¹³ Apart from need, some expenditure on technical education was due on grounds of equity.

In America, this stress on the importance of education in maintaining industrial leadership and high living standards had been evident for some time. In fact the importance of education to business had been demonstrated by the Germans in the early nineteenth century through the development of research laboratories¹⁴. By setting up the Honorary Advisory Council for Science and Industrial Research in 1916, which developed into the National Research Council, it can be seen that the connection between benefit to industry through increased knowledge was well established Canadian practice. In the 1950's the percentage of American university graduates was the highest in the world. Not only did America cherish education for the same reasons as did the rest of the industrialized world, but because of the particular influence of the Behaviorist school of psychology in that country, education became not just a quest for knowledge, but a means whereby fundamental change in the individual could be wrought. Watson in 1930 had written:

Give me a dozen healthy infants, well-formed,
and my own specified world to bring them up in
and I'll guarantee to take any one at random
and train him to become any type of specialist

I might select - doctor, lawyer, artist, merchant-chief and, yes, even beggarman and thief, regardless of his talents, penchants, tendencies, abilities, vocations and race of his ancestors.¹⁵

The business world was not entirely adverse to this environmentalism. In 1776 Adam Smith had said:

The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not upon many occasions so much the cause, as the effect of the division of labour. The difference between the most dissimilar characters, between a philosopher and a common street porter, for example, seems to arise not so much from nature, as from habit, custom and education.¹⁶

The American President's War on Poverty was not intended solely as pain relief but as offering a cure. Programs such as Head Start, were seen as preventative. By stimulating children at a very early age it was hoped that intelligence levels could be raised. If this had worked it would have been possible through education to raise the working American to a level beyond his competitors. The complexities of new technology would not be beyond any citizen. The denial of ability as a constant was essential before this made sense.

To those who failed to be converted to the behaviorists' hopes, the power of education to be the sole weapon against poverty and unemployment was doubted. Nevertheless, many felt that even if it weren't going to help, it wouldn't hurt.

Edward Denison, an economist with the Brookings

Institution, studied economic growth in the United States between 1929 and 1957 and ventured the opinion that "education accounted for 23 per cent of the growth in total national income and 42 percent in the growth in per capita income".¹⁷ These figures were enthusiastically supported by other writers and "human investment" became very popular. Four hundred and twenty articles contained in a bibliography of "the economics of education" were analyzed by Mary Bowman, who found:

..... on a rough count that 14 had appeared before 1940, 6 appeared in the decade of the 1940's and 19 in the years 1950 through 1954. The remaining 381 items, constituting 91 per cent of the total, appeared within the decade 1955-64 (or were in press in 1964); 283 of these 381 items appeared in 1960 or later. The revised bibliography, to come out in 1966, will contain a thousand items, most of the added ones being post-1960 contributions¹⁸.

Cost/Benefit analysis studies on the output for the education matched against returns from future income came from all over the world. Studies were done on income distribution, productivity, and economic growth. The Denison paper was presented in 1964 to the Study Group in the Economics of Education at the Organization for Economic Co operation and Development.¹⁹

(ii) Organization for Economic Co-operation and Development

In December, 1960, when Canada joined the United States and the countries of the European Economic Co-operation which had been set up to administer the Marshall Plan, it became the Organization for Economic Co-operation and Development, the strong influence of the European members and their experiences with post-war reconstruction produced a rash of Manpower policies common to the member nations. How was this possible? Why should countries so varied in size of population, of area, of climate, of culture, political institutions and history find one manpower policy in common? The answer seems to lie in the nature of O.E.C.D.

O.E.C.D.'s prime purpose is to deal with macroeconomic policies. It consists of a large number of divisions, including economics and statistics; fiscal affairs; manpower and industrial relations; education; and many others. These divisions attempt to prepare internationally comparable statistics to measure progress between member nations. In the economics division there are two committees, the most important of which is the Economic Policy Committee which meets twice yearly and is attended by high level officials from member nations who discuss forecast and policy responses, beginning with the views of the large and powerful and working down to the smaller nations. The decisions of the Economic Policy Committee are then published in OECD journal Economic Outlook.

The theory behind O.E.C.D. manpower policy was simple, if circular. The O.E.C.D. was committed to high levels of employment. This meant that governments had to assume responsibility for the "better and fuller management of demand", which meant that they were committed to fiscal policies of maintaining constant expansion. Expansion was achieved by the full utilization of productive capacity. Stress was laid on outputs per employed person which was said to depend on many factors, one important feature being the way in which manpower was allocated. Movement of manpower could contribute to higher overall output in a number of ways. The higher output per man hour produced an increased volume of resources which could be invested on productive equipment or on social infrastructure, the most important of which was seen to be education, training and health which, in turn, could be fed back and further improve growth.

In the first five years of the 1960's the economic report from O.E.C.D. members seemed to show the wisdom of their thinking. The mean G.N.P. rose by 27% and an average rate of expansion was recorded at 4.9%. Canada scored 5.5% (up from 1955-60- figure of 3.3%) What is more, unemployment rates dropped from 7% in 1960 to 3.9% in 1965. Outputs per employed person rose from 1.2% to 2.6% in the period.²⁰ Further, the inflation rate in North America was not rising as alarmingly as in Japan and the European member countries²¹. There were other factors like increased foreign

trade which stimulated general economic expansion by improving the allocation of resources. This, in turn, led to the opportunity to develop specialization which led to technological progress, which led back to the need for skill acquisition.

For Manpower policy this line of thinking dictated two things:

1. mobility of manpower
2. high skill level of the work force.

On paper, the difference between structural unemployment (the sort caused by people living in the wrong place or having no skill or the wrong skill) and the sort caused by inadequate over all demand was recognized. While the importance of "managing" demand was stressed, how this was to be done was not specifically stated. Naturally a higher and rising level of consumption was seen as the ultimate policy objective.

In addition to bolstering productivity, manpower policy had an inbuilt inflation fighter. By increasing the mobility of workers the skills in short supply in one area could be supplied before the shortage could cause a rise in wages and thus higher prices and, of course, by increasing the skills of workers, a healthy supply could be kept in reserve as a dampener against union demands for higher wages. Canada had demonstrated to the world in the 1950's that output per man could be increased by structural change. The establishment

of a higher level of education was to increase the employability of the masses. This "employability" together with a highly mobile workforce and "balanced" expansion were the factors which were to be manipulated in order to bring about a reduction in unemployment.

All politicians were in search of "the unemployment cure" and at last here was a slick, well packaged answer. In the opinion of students of the structure and functioning of O.E.C.D.,²² decisions were reached through compromise and difference in size amongst the member nations meant that this affected the outcome. However, this does not mean that it is possible to attribute dominance to any one nation, because of the complexity of O.E.C.D.'s makeup and objectives. In this regard, the analysts claim that within O.E.C.D. there are two major aims, "self-preservation" and "prestige". Self-preservation is constantly traded off against the need for prestige. They maintain that self-preservation has been the dominant one and quote Brunner as saying ... "it is clearly rational and advantageous for the bureau to produce "vague, inchoate and malleably suggestive ideas" and to choose a wide set of instruments in order to protect against specific criticism and to avoid being tagged with a bad policy. Further "the use of sociological theories is an extension of this principle: it protects both the O.E.C.D. and its member countries from criticism concerning the failure of traditional policies to generate immediate results." ²³

Within the literature put out by the Organization, they rarely blame or severely criticise the central governments or central banks.

Meltzer considers that the tendency of the O.E.C.D. to make extravagant promises is partly due to need to generate prestige, thus:

Even although it never has to implement policies, the OECD has accented the difficulties of macroeconomic management. This is not displeasing to its customers and is consistent with the observation made by Acheson and Chant that increasing the seeming complexity of policy-making helps to defend against criticism and increase self-preservation. In this case the OECD is simply providing the service its government clientele desires.²⁴

O.E.C.D. publications talk of "social justice" and while they are vague as to what this means they do support the concept that governments are entitled to reduce income differences produced by the market and extend this to non-wage incomes. They make statements like:

...more general political and social considerations suggest the need to complement a wages policy with a parallel policy towards other incomes, aimed at correcting what are regarded as undesirable or unacceptable trends in the evolution of the different classes of income.²⁵

This could be interpreted by any government to support whatever they were doing.

Other analysts of this Organization claim that governments use O.E.C.D. committees to support internal policies. For example, that "The Committee on Fiscal Policy was originally the brainchild of the Council of Economic Advisers in the U.S. who needed leverage in their efforts to get the tax cut of 1964 through."²⁶ However, in order to survive, O.E.C.D. has to appear independent and not owned by any one country.

...Moreover, some of the policy advice offered by the OECD to national governments represents a repackaging with OECD imprimatur of policy views that originated within these same national governments. The OECD "impartial" endorsement may make the advice easier to adopt domestically.²⁷

As consensus is reached in private meetings it is not usually possible to estimate whether any particular policy was thrust on Canada against its better judgement, where policy originated or whether it was a compromise. While Canada's active manpower policy was not strictly in line with O.E.C.D. economic theory, and this was pointed out by many people, this was not important as the international organization itself was not likely to criticize Canada. What was drawn on was the prestige of the organization and together with vague policy statements from the minister and high ranking bureaucrats, combined to legitimize the policy.

(iii) The Economic Council of Canada

Another prestigious force was the Economic Council of Canada which came into operation in 1963. The Economic Council gave Canadian content to the O.E.C.D. framework. The Economic Council devoted its first annual review(1964) to the economic targets which it felt Canada should shoot for until 1970. The most basic and important target was a 3% unemployment rate. The Council felt that this was realistic and could be determined by estimating two components:

- (i) the labour force growth rate and
- (ii) the average output per employed person.

In estimating the labour force growth rate, factors such as number of immigrants joining the work force and young people leaving school and working for the first time, changes in age composition and the participation of women were important. During the 1950's the 20-24 yr. bracket increased by 25,000, while 270,000 were expected during the 1960's. After taking into account the need to reduce the existing unemployment rate, a figure of 3.1% per year was arrived at, which meant that in order to reach target, 1.5 million jobs had to be created by 1970.

The second component, the productivity of the labour force, up to the time of the report had been running at 1% since 1956. Prior to that date 3.2% had been achieved annually since 1946. The Council reasoned that 2.4% was obtainable for the 1963-70 period.

By summing these two components (3.1% + 2.4%) the rate

of total output was seen to be 5.5% per year. Having established what they expected to be the expanded output of goods, the Council then examined the various components of aggregate demand. It looked at consumer spending on durables, non-durables and services; at investment; at exports and imports and on government spending. The total effective demand, it declared, would be 5.5%. However, with all the assumptions inherent in such calculations, some adjustments seemed to be inevitable. Professor Breton²⁸ commented that "no adjustment mechanisms are assumed and described; the framework is too much one of national accounting". Taken over all, however, the Review he felt looked at "meaningful dimensions" for it recommended "strong expansionary policies...to generate adequate levels of demand", and was not one which "eschews 'gimcrack' concepts".

The Second Annual Review by the Economic Council dwelt on the objectives of the Council itself. Were they a planning body? The answer, said Professor Gordon, was, on the one hand, "No" as that was not really the intent of the legislation. It was just fashionable to profess to believe in economic planning but that Canadians were not ready to accept planning by councils in the same way they were accepted by Western Europeans, let alone the Eastern Europeans. However, on the other hand, the Council spent many pages in the Second Review judging the country's performance in terms of the projected levels outlined in the

First Review. Obviously, the Council saw itself as having an obligation to plan, and to assess and could not help making evaluations of government policy. The propriety or wisdom of this action was a subject of discussion. In subsequent Reviews, the Council was to make assessment of economic performance but was sometimes reluctant to say why this performance differed from the ideal - to diagnose where we went wrong, and suggest what should be done to correct it. The annual reviews of the Economic Council became hot political items, widely read by many segments of society. Gordon stated that it had come into existence because other countries had such councils rather than because of any clearly defined need. It had "semi-independent status in the structure of the federal government; and although its expenditures are directly subject to the Treasury Board, it apparently enjoys ..a high degree of freedom."²⁹ In Gordon's view its prime function was research and he predicted that the Council would confine itself to this area.

Subsequent reviews, however, argued the need for an independent research body. The role which the Council seems to have pursued was that of information and public instruction on economic policy, giving broad views on the directions the economy should take.³⁰ The Council, of course, attempted to keep away from short-term forecasting although in setting general medium or long term objectives it was often accused of meddling in policy priorities.

It was the Second Annual Review that devoted its attention to "education". The importance of "human capital" to the advancement of economic growth was analyzed.

According to the Economic Council, one-quarter of the rise in productivity that had taken place in Canada over the past 50 years was attributed to higher educational standards.

The reason why Canadian per capita GNP was 25% below an Americans was attributed to the difference in the achieved level of education. This was tied to a Dominion Bureau of Statistics study which showed that the rate of return on educational expenditures was 10-15% per annum. From this a strong recommendation was made to increase investment in education over other "assets".³¹ "That the advancement of education at all levels be given a very high place in public policy and that investment in education be accorded the highest rank in the scale of priorities."³² Respected though they were, the economic pronouncements of the Council did not go unchallenged by professional economists.

Professor Gordon clearly and neatly shows that there is no way that we can assess the contribution of education to economic growth:

Firstly, he points out that there is intercorrelation between education and other productivity factors

...it may be grossly misleading to infer from the education-income statistics that education is the sole or the major or even a substantial element in the observed earnings differences. The other elements that enter powerfully into productivity and personal success - such as intelligence, orderliness

of mind and behaviour, tenacity, serendipity, and social background - are all highly correlated with educational attainment.³³

Secondly, our society is not open and fully competitive.

The Dominion Bureau of Statistics study showed that physicians and surgeons have the highest average "lifetime earnings":

This rating is almost 20% higher than the next highest group, owners and managers in manufacturing industry; 25% higher than university professors and college principals; and 73% higher than physical scientists and professional engineers. Does it not seem probable that this is largely explained by the fact that physicians have, through their professional associations, for many years controlled entry, conditions of practice, and competition in their profession with an extraordinary degree of effectiveness?³⁴

Gordon commented at the time that the hasty, poorly researched views of the Economic Council on education were already producing an impact on governmental policy, and lamented the Council's lack of thoroughness on such a "vital social question". In the next twenty years, government manpower policy was persistently connected to this research. The term "education" was distorted to embrace every form of training. The level or quality of "education" was ignored.

Doctors were wealthy, doctors were always employed, doctors had a lot of training, therefore if Mr. X who is unemployed is trained, he will become wealthier. What was at best a tentative relationship between education - employment - and earnings became a clear cut law of nature with undisputed causal connection. Associated factors such as monopoly,

union protection, wealth and influence and a myriad of personality and intellectual differences were ignored.

The Council also supported "mobility" to help control inflation. They reasoned that if manpower supply is moved to demand areas, the workers' pressure for higher wages will be lessened. The government of the day thus received encouragement from O.E.C.D. and the Economic Council which, from a political angle, was almost impossible to resist. In the trade off between unemployment and inflation it became no longer necessary (in theory at least) to distinguish which phase was coming in or going out. For years Economists had lambasted government policy which was clearly deflationary or inflationary because they argued, often in retrospect, that the reverse had been required. Manpower policy was foolproof - train people in occupations in demand. It cured both inflation and unemployment. It could be used also to argue that either inflation and/or unemployment did not really exist in general terms. The Minister could say "There would appear to be a small segment of unemployed youth which is due to the sudden influx of large numbers of inexperienced, poorly educated individuals. We are taking steps to provide them with a skill through Manpower training programs." All arguments about how well the government was handling the economy were sidetracked. No policy at all was required. Everything was temporary and was being cured. How any "sudden influx" of the population could occur who were of

working age; why were they poorly educated; and were there any jobs for them after manpower training had cured them, were questions any skilled politician could field, if anyone thought to ask. The historical killer of governments had been brought to heel. Admittedly, this was not what the Economic Council had in mind. What they argued for in the Second Annual Review, was a lighter hand and less emphasis on cyclical theory. It was better, they pointed out not to overreact and to examine economic growth in relation to potential output. Attention to manpower was meant as fine tuning.

The Third Annual Review, reaffirmed the importance of meeting shortages with vigorous manpower policies before they could produce price rises. The Economic Council were as happy with immigration as a means of providing skilled labour.

This was seen as depriving Canadians of skilled, better paying jobs. In analyzing the review, Professor Eastman commented:

It would clearly be superior for the exploitation of the full potential of Canadian society to place emphasis on that part of the Economic Council's proposals which advocates the development of a more mobile and flexible labour force, and of a manpower policy which anticipates changing needs for skills and ensures those skills can be acquired.

Like Professor Gordon, he too warned against the government tendency of a convenient structuralist approach to manpower policy:

Clearly manpower adjustment assistance should not be related to a particular event but extended to all individuals in a similar position or with similar capacities. Neither should adjustment policies be based on the distress of the individual, but rather on his potential contribution to productivity through investment in his skills. It is not necessarily the case that those in greater distress or need are those who would increase productivity most by taking the opportunity to upgrade their skills. Indeed it is likely that there is an inverse relationship between the employment status of the individual and the extent to which he can benefit from further training.. The relief of distress and optimal investment in human skills are two different goals and require two different policies and remedies.³⁵

The use of manpower policy to decrease regional disparity was given some encouragement by the Economic Council, by recommending the creation of industrial development along provincial lines. This was strongly criticized by reviewers as maintaining political boundaries at the expense of the overall economic efficiency of the country. The importance of encouraging "mobility of factors to the place in Canada at which their productivity was highest."³⁶ This meant, they said, mobility of labour, unrestricted by provincial boundaries. "The disparities that should receive our attention are the inequalities of income between men, not between ground plots".³⁷

But it's hard to argue with success for the Third Annual Review was able to report that growth in real GNP was 4.4%, higher than the U.S. (3.4%) and the U.K. (3.1%). The increase in total output was accompanied by full employment, yet the relative wealth of the individual Canadian did not improve

when compared with citizens in other O.E.C.D. countries. Critics were quick to point out that the Economic Council did not explain the reason but then went on to admit "that very little is known about the process of growth of productivity, not only by the Economic Council, but by anyone else".³⁸

The subject of what was known and not known in the field of economics received considerable attention. Theories concerning market cycles, for example, were questioned:

....in the 1950's there was a fairly regular succession of recessions and expansions, with prosperity in 1952, a recession in 1954, an expansion in 1955-57, a recession in 1957-58, and an expansion in 1958-60. Since in both 1952 and 1956-57 the economy was just below, at, or above the level of potential output, depending upon how it is measured, there was some reason to think that the problem of achieving the objectives of policy turned upon offsetting short-term cycles. Contrary to official forecasts, however, 1960 turned out to be a year of recession rather than a year of prosperity, and it was succeeded by an expansion of unparalleled length from 1961-66, which was succeeded in turn by a plateau rather than by a typical recession.³⁹

It was not necessary, therefore, that government should accept all advice offered by the Economic Council- they could be selective. It was considered by economic reviewers, however, that government was very interested in American market trends "since it is highly unlikely that Canada will experience any cycles which are not in large measure a reflection of those of the United States."⁴⁰

By the time of the Fifth Annual Review, according to one economist, Canada was experiencing a period of increased "perceptual openness" and the government "particularly in the White Paper tabled in the House of Commons on December 20th, 1968, has clearly moved closer to the Economic Council's views on policies for economic growth and stability."⁴¹ The Review showed some concern over "the price and cost increases which have taken place since 1965",⁴² even though unemployment had risen beyond 5%. The answer to market instability was still through manpower mobility and training and through education with emphasis on research and development.

The Economic Council returned to the subject of education in its 7th Annual Review, drawing attention to the growing cost of education.

The figures showing comparison of labour productivity with other countries produced much controversy. The U.S., for example was seen to have a higher average productivity of labour than Canada. There were many explanations for this, ranging from tariff on imports, different output scale, different technology to the lower skill and educational level of the worker. The latter became the favorite. Leonard Waverman pointed out, however that it was not essential to put up arguments that presuppose inefficiency. "On the contrary, if Canada, with its present population level and

dispersement, is a relatively more expensive country in which to operate and sell, then management may be doing the best job it can, given the constraints of northern life."⁴³

By 1972, the Council was pointing out that governments have increased their share of GNP from 27% in 1960 to more than 36% in 1970.⁴⁴ Productivity advances in the latter part of the 1960's were below the potential.

While 20 countries agreed to a 4 % growth rate for a full decade, most of them appear to have entered into that agreement without any clear idea of what produced economic growth. Some favoured "plans", some aggressive management, others faster technical progress while one cynic proposed that it did not exist in reality but was due to illusion caused by inflation. Freeman(1966) remarked that a random sample of economic texts showed very little under "technical change" or research and development for the 20th century and quotes Professor Jewkes's book on The Sources of Invention

Future historians of economic thought will doubtless find it remarkable that so little systematic attention was given in the first half of this century to the causes and the consequences of industrial innovation. Material progress, it had long been taken for granted, was bound up to technical advance and technical advance in turn with change, variety and novelty; but whence this novelty, how closely it was related to rising standards of living, whether and how it might be stimulated or stifled: all this ground remained largely untrodden by the economic historian or the economic theorist⁴⁵.

During the second world war scientific research and development was seen as essential to the war effort and Roosevelt fostered its continuation in peace time. It became obvious that growth was not only connected to investment in capital equipment but also to the size of the technical advance which was made in the area of the investment, and the speed with which the new technology was used in the industry.⁴⁶ Further, difficulty in obtaining reliable information is caused by the length of time which occurs between the basic research, and any results perceivable in the market growth. This is often 10-15 years and can be much longer. While it was obvious that some sort of association existed between research and industry growth it was not of a simple straight forward nature. Both the U.S. and Great Britain spent a relatively high percentage of GNP on research and yet had a very slow rate of growth. It was possible that buying or borrowing some other countries technology might be more advantageous. As the Economic Council put it "support of science and technology competes with other claims on national resources, including some like education and training which can also contribute to economic growth"⁴⁷ It was better for Canada to concentrate on "diffusion of existing technology". To do this, the Council thought that the education of the managerial class should be upgraded (more in line with the United States) and that institutions that would bring together the old warring

segments like government, business, labour, the universities.etc. should be formed. That intellectuals would be able to mingle with government and business leaders and so promote sharing of information, as had happened in the United States.

It is impossible to read the Reviews during these years without being reminded constantly that standards for the Canadian Economic Council were those already achieved by the U.S. There is no acceptance of Canada being a different country with different tastes - some quite expensive. Our differences are never truly costed. The overriding impression is that the Council felt that inefficiency was the cause of our lower income per capita.

In summary, the introduction of active manpower policy which had as its chief weapon the use of training programs, was supported by labour, the O.E.C.D. and the Economic Council of Canada. While this policy was touted as "economic" its basis was unproven and poorly researched. Academic economists acknowledged that the nature of productivity was not really understood. What this policy had was enormous political attraction.

2. Why did the Adult Occupational Training Act take the form it did?

If we accept manpower policy as economic growth oriented, derived from O.E.C.D. theorizing as claimed, the question has to be asked why it was not more like the American

interpretation of the theory. As mentioned earlier, the Department of Labour was in favour of training in industry, the Economic Council supported it, and the American model of high productivity which we were supposed to be chasing used it over 80% of the time. Why did Canada institute programs which were predominantly institutionalized, in low grade skills and push an immigration policy favouring introduction of skilled workers?

Federal-Provincial Relations

The failure of T.V.T.A. to distribute funds equitably is one of the common reason given for the new legislation. During the six years of the program Ontario took 300 million of the dollars available, Quebec 117 million, B.C. 52 million and Manitoba took 12 million.⁴⁸ By introducing financing based on the size of the labour force and the number of unemployed or poor in each province Quebec jumped immediately from receiving 10.9% of funds to 37% and Ontario declined from 58% to 27.5%.

TABLE XI:

DISTRIBUTION OF TRAINING EXPENDITURES PERCENTAGE AND
UNEMPLOYMENT AMONG REGIONS

Region	T.V.T.A.		C.M.P.T.	
	1966	1969	1972	1975
Atlantic	11.3	15.3(12.8)	14.1(11.2)	15.1(10.8)
P.Q.	10.9	37.0(41.3)	32.5(35.8)	31.7(31.0)
Ontario	58.1	27.5(24.8)	31.7(28.8)	28.4(35.0)
Prairies	17.5	13.9(10.2)	13.4(11.4)	14.7(9.2)
Pacific	2.2	6.3(11.6)	8.2(12.8)	10.1(13.5)

Source: Interdepartmental Evaluation Study of the Canada Manpower Training Program, Ottawa, 1977, p.51.

Even though the Atlantic region suffered a higher unemployment rate than Quebec a greater percentage of unemployed in Quebec were accepted into training than any other region (See Table XII).

Perhaps there were more bottlenecks in Quebec and that training was justified on economic grounds. On the other hand, the growth of labour unrest shown in Tables XIV and XV, indicate that Quebec far outstripped any other region both in terms of the number of workers involved in strikes and lockouts and work loss in man-days. Each strike averaged 12,314 man-days, compared to 6,766 in Ontario and only 1,809 in all four atlantic provinces. Further, the Liberal government of the day had the best reason possible for wanting to placate Quebec - its political life depended on controlling

TABLE XIII: STRIKES AND LOCKOUTS IN CANADA, 1901-1966

YEAR	STRIKES AND LOCKOUTS BEGINNING DURING YEAR	STRIKES AND LOCKOUTS IN EXISTENCE DURING YEAR			
		STRIKES AND LOCKOUTS	WORKERS INVOLVED	DURATION IN MAN-DAYS	
				MAN-DAYS	PER CENT OF ESTIMATED WORKING TIME
1901	97	99	24,089	737,808	....
1902	124	125	12,709	203,301	....
1903	171	175	38,408	858,959	....
1904	103	103	11,420	192,890	....
1905	95	96	12,513	246,138	....
1906	149	150	23,382	378,276	....
1907	183	188	34,060	520,142	....
1908	72	76	26,071	703,571	....
1909	88	90	18,114	880,663	....
1910	94	101	22,203	731,324	....
1911	99	100	29,285	1,821,084	....
1912	179	181	42,860	1,135,786	....
1913	143	152	40,519	1,036,254	....
1914	58	63	9,717	490,850	....
1915	62	63	11,395	95,042	....
1916	118	120	26,538	236,814	....
1917	158	160	50,255	1,123,515	....
1918	228	230	79,743	647,942	....
1919	332	336	148,915	3,400,942	0.60
1920	310	327	60,327	799,524	0.14
1921	159	168	28,257	1,048,914	0.22
1922	89	104	43,775	1,528,661	0.32
1923	77	86	34,241	671,750	0.13
1924	64	70	34,310	1,295,054	0.26
1925	86	87	28,949	1,193,281	0.23
1926	75	77	23,834	266,601	0.05
1927	72	74	22,299	152,570	0.03
1928	96	98	17,581	224,212	0.04
1929	88	90	12,946	152,080	0.02
1930	67	67	13,768	91,797	0.01
1931	86	88	10,738	204,238	0.04
1932	111	116	23,390	255,000	0.05
1933	122	125	26,558	317,547	0.07
1934	189	191	45,800	574,519	0.11
1935	120	120	33,269	288,703	0.05
1936	155	156	34,812	276,997	0.05
1937	274	278	71,905	886,393	0.15
1938	142	147	20,395	148,678	0.02
1939	120	122	41,038	224,588	0.04
1940	166	168	60,619	266,318	0.04
1941	229	231	87,091	433,914	0.06
1942	352	354	113,916	450,202	0.05
1943	401	402	218,404	1,041,178	0.12
1944	195	199	75,290	490,139	0.06
1945	196	197	96,068	1,457,420	0.19
1946	23	226	138,914	4,515,030	0.54

Source: Department of Labour, Economics and Research Branch, Strikes and Lockouts in Canada, 1966, p.9.

TABLE XIII: STRIKES AND LOCKOUTS IN CANADA, 1901-1966

YEAR	STRIKES AND LOCKOUTS BEGINNING DURING YEAR	STRIKES AND LOCKOUTS IN EXISTENCE DURING YEAR			
		STRIKES AND LOCKOUTS	WORKERS INVOLVED	DURATION IN MAN-DAYS	
				MAN-DAYS	PER CENT OF ESTIMATED WORKING TIME
1947.....	231	234	103,370	2,366,340	0.27
1948.....	147	154	42,820	885,790	0.10
1949.....	130	135	46,867	1,036,820	0.11
1950.....	158	160	192,083	1,387,500	0.15
1951.....	256	258	102,793	901,620	0.09
1952.....	213	219	112,273	2,765,510	0.29
1953.....	166	173	54,488	1,312,720	0.14
1954.....	155	173	56,630	1,430,300	0.15
1955.....	149	159	60,090	1,875,400	0.19
1956.....	221	229	88,680	1,246,000	0.11
1957.....	238	245	80,695	1,477,100	0.13
1958.....	251	259	111,475	2,816,850	0.25
1959.....	201	216	95,120	2,226,890	0.19
1960.....	268	274	49,408	738,700	0.06
1961.....	272	287	97,959	1,335,080	0.11
1962.....	290	311	74,332	1,417,900	0.11
1963.....	318	332	83,428	917,140	0.07
1964.....	327	343	100,535	1,580,550	0.11
1965.....	478	501	171,870	2,349,870	0.17
1966.....	582	617	411,459	5,178,170	0.34

Source: Department of Labour, Economics and Research
Branch, Strikes and Lockouts in Canada, 1966, p.10.

TABLE XIV: DURATION IN MANDAYS OF STRIKES AND LOCKOUTS BY JURISDICTION

JURISDICTION	1962	1963	1964	1965	1966
Newfoundland	1,860	8,490	1,070	2,110	22,260
Prince Edward Island	-	590	80	-	11,960
Nova Scotia	16,380	16,390	8,070	18,610	53,770
New Brunswick	7,910	12,320	16,680	6,230	19,070
Quebec	585,160	338,760	401,710	606,820	1,926,890
Ontario	460,660	363,950	714,080	1,340,720	1,356,130
Manitoba	42,920	3,980	50,290	12,660	39,700
Saskatchewan	2,920	9,070	5,590	19,850	20,930
Alberta	21,300	23,520	6,300	6,170	46,000
British Columbia	35,860	83,820	321,130	92,290	240,230
Federal	242,530	56,250	55,500	244,410	1,440,446
TOTAL	1,417,900	917,140	1,580,550	2,349,870	5,178,170

Source: Dept. of Labour, Strikes and Lockouts in Canada, 1966, p.11.

TABLE XV: STRIKES AND LOCKOUTS, 1967, BY JURISDICTION

JURISDICTION	STRIKES AND LOCKOUTS BEGINNING DURING YEAR	STRIKES AND LOCKOUTS IN EXISTENCE DURING YEAR		
		STRIKES AND LOCKOUTS	WORKERS INVOLVED	DURATION IN MAN-DAYS
Newfoundland.....?	9	9	1,679	8,660
Prince Edward Island.....	1	1	61	210
Nova Scotia.....	36	36	8,512	69,290
New Brunswick.....	10	11	3,289	24,980
Quebec.....	136	143	145,226	1,760,950
Ontario.....	217	228	65,563	1,542,550
Manitoba.....	8	8	770	14,940
Saskatchewan.....	11	11	2,291	10,690
Alberta.....	9	9	1,428	17,920
British Columbia.....	41	43	12,030	350,730
Federal.....	20	23	11,169	173,840
TOTAL.....	498	522	252,018	3,974,760

Source: Department of Labour, Strikes and Lockouts in Canada, 1967, p.20.

this Province. The stormy history of the Liberal Party and Unions which existed since conscription was still evident.

The Liberals could not rely on reaching agreement with unions in Quebec. Further, apart from the philosophical gulf between unionism and liberalism, the particular events of the day in Quebec prevented the Liberals from courting the unions. The French/English question was paramount and to many important and influential Quebecers, unions "were associated with Anglicizing influences".⁴⁹ Training programs were acceptable to unions, the church and business.

(b) The Federalism of the Future - The New Brand of Federal Provincial Relations

In March, 1967 when the Adult Occupational Act was introduced it came in a package with measures to provide new provincial revenue equalization and stabilization arrangements. No mention was made of "regional disparity" or of its association with a wider development program. The new fiscal arrangements were said to be in accordance with arrangements made at the October, Federal Provincial conference. The principles which guided the new arrangements were "consistent with the federalism of the future".⁵⁰ They were, firstly: both federal and provincial governments should have access to fiscal resources sufficient to discharge their constitutional responsibilities; secondly: they should be accountable to their own electors for taxing and spending decisions; thirdly, the grants should be sufficient to

provide an "adequate" level of public services; fourthly: the federal government should retain sufficient fiscal power to discharge its responsibilities; fifthly: uniformity of law, and finally: attempt to achieve harmony.

(c) Separation of Post-Secondary Education

The federal government announced its intention of withdrawing from technical and university training. Additional tax points were given to the provinces for the purpose of post-secondary education - which had two parts, technical training and university education. The per capita grants were increased for those receiving post-secondary education who had achieved "Junior Matriculation". This left the responsibility for school drop-outs with those who had trained them, without any federal grant. The reason for withdrawing entirely from the education field was given by Mr. Marchand at the time as "federal activity in a provincial field could not and should not be thought of as permanent"⁵¹.

Another view was put forward in the House that it was because Quebec had objected to the federal presence and, in order to preserve one and the same treatment for all provinces, the federal government decided to withdraw.⁵² At the Federal-Provincial Conference in October, 1966, when the measures were first announced, the Minister had said:

We are determined to get out of shared cost programs in educationfor us to be involved in the school system in the name of technical and vocational training inevitably introduces distortions...increasingly your decisions

as to what to do are influenced by a natural desire to get as much as possible out of the programs of which we will pay 50 per cent.⁵³

(d) Federal Responsibility for the Economy

When introducing the Occupational Training Act to the house⁵⁴ Mr. Marchand said that since the government had passed the Training Allowances Act, the previous year, providing increased training allowances for unemployed workers, "the concept of training in Canada has been altered" as people with responsibilities were now in a position to undertake training, and the legislation represented "an explicit recognition of the federal responsibility for the over-all performance of the economy, and the advancement of the workers on whom that performance depends". In Mr. Marchand's opinion

From here on vocational training ranks with work: it is no longer associated with unemployment or welfare.....Whether a man or woman is eligible for training will not depend on whether he or she is employed, unemployed, underemployed, or self-employed. The program will respond directly to the person's need for training, not to his statistical classification. The question is whether he will benefit substantially from training, whether it will make his earning power greater in future, whether his contribution to the economy will be increased.⁵⁵

The federal government was to pay the bills and, through its newly decentralized Canada Manpower Centres, to be the judge of who would benefit. This was necessary because "Misplaced

or misguided training is an economic waste and a human tragedy"⁵⁶ and so Manpower was to select suitable occupations.

With a 4.1% rate of unemployment in 1967 when the Minister made this speech the comprehensive nature of the training programs was feasible. The categories "employed", "unemployed" and "underemployed" were, of course, always meaningless but together with the concept of advancement held out a picture of the poorly skilled workforce moving up the skill ladder. Unfortunately, from the very outset this was an illusion, an empty promise to the Canadian worker. Advancement was never possible, as skilled jobs were being recruited from offshore sources. Had "advancement" been the plan, the immigration policy of giving precedence to skilled immigrants for jobs like technologist, draughtsman, machinist, welders and machine tool operators⁵⁷ could never have been instituted. As it was done by the very same Department, it cannot be seen as accidental. In addition, the skill level of courses was always low and the time factor was short. In reality, it was training for the unemployed put on a permanent basis and given an air of respectability. The term "unemployed" was stretched to mean the lower end of the earning scale.

The Economic Council described it as a "radical" departure and saw it as "enabling Ottawa to achieve more visibility and control."⁵⁸ The point the government seemed keen on making was that the educating of youth was a

provincial responsibility, but the training of adults was federal. Mr. Marchand went so far as to claim that for the last six years the federal government had "contributed greatly to the capital costs of provincial facilities....It was mostly capital, not operating assistance."⁵⁹ The 190 million which had been given under the Technical and Vocational Training Agreement was, of course, for operating vocational programs and courses, even though it represented a small percentage of the total outlay.

He listed three points which he said distinguished adults from "continuing students ":

1. the adult has been working to support himself or family and needs income
2. adult training was different from school education, because "quite a lot " can be done within industry
3. adult training has a direct impact on employment and productivity.

One can accept the decision of the federal government to withdraw from the field of education but why they suddenly had an urgent need to draw this somewhat pathetic distinction between education and training, youth and adults, responsibility for dependents and none, is difficult to reason, if the prime objective was economic growth. The advice the Economic Council and the Senate Committee on Aging had given the government was not to exclude the adult from training opportunity. Instead, the legislation excluded

youth, knowing of their increased number in the working population.

(e) Exclusion of youth

Dupre et al. suggest that the reason for the federal government's distinction between education and training, stemmed from a clash of philosophical viewpoints. The educationalist was concerned with the development of the whole person as opposed to the economist who saw training as instruction in a specific task connected to an occupation. They suggested that economists had written in the unfortunate distinction which caused the ensuing uproar from provincial educationalists. I contend that it was rather a concern with controlling the workforce and achieving the new look in Federal/Provincial relations. It was the adult, unionised workforce that was engaging in work disturbances, not youth without jobs. Surely, had this legislation been written by sane economists it would have been essential to include the largest growing group in the economy who were the most in need of job training; to do it by the cheaper method of on the job training and by a more efficient market matching of industrial wants to type of training.

Further, the manner of introduction of this legislation is significant.

(f) Lack of Consultation

During debate in the house, much was made by the opposition of the fact that the government had introduced the

legislation without consultation⁶⁰ with the provinces who were undeniably the ones with experience in education as well as training and that there was no real knowledge of the federal thinking process. It was said that the Minister was too busy to meet with the Ontario Minister of Education or the Canadian Association for Adult Education.⁶¹ The different philosophical approaches are understandable but do they account for the way in which the federal government introduced the legislation? Further, the debate in the house was delayed so that the regulations had been implemented before the Act was passed in a way which led Mr. Knowles to comment "It looks slippery to me."⁶² If it were economic in design then the very essence of the theory was to smooth out problems. By denying full consultation with the Provinces, having chosen institutional type training over training in industry, this made the process impossible. However, if it were "control" that motivated federal action, the act of dominance was both logical and necessary. It was also right in line with the new image.

(g) Institutional vs. Training-in-Industry

The common explanation given for the predominantly institutional type of training was that this was conceded by the federal government to placate the provinces who saw their facilities, greatly expanded under T.V.T.A., being under utilized. The degree of upset in the teaching profession is evident from reading letters written to the newspapers at the

time. However, if the federal government felt the need to compensate the provinces, giving in on the type of training would have been unthinkable if their prime objective were economic growth. Clearly, the economic theory called for specific training; it was by fitting specific worker to specific job that inefficiency was to be reduced. It was, in truth, on-the-job training, or training as close to it as possible. This, however was rejected by the Minister :

..I should make it plain that the program is not designed to pay for the kind of on-the-job training, in a particular job, that is a normal and necessary part of industry costs. We are concerned with the kind of general training that a worker can take with him from job to job.⁶³

The problem, therefore, seems to be a rejection by the federal government of training as envisaged under the economic theory. The federal presence it was argued was necessary because this was specific training in the market. But from the above quotation it can be seen that the Minister is talking of general concepts and this contradicts his own distinction of learning vs. training. It could be said that specific goal oriented training was an essential ingredient of the economic theory and could never be traded away. The portability of the skill did not matter at all. It was efficiency that increased productivity, not training.

(h) Inflexibility of the Program

Dupre et al. describe in full the way in which the federal government proceeded to lock themselves in, when it became necessary to bargain with the provinces. By agreeing to the 90% rule and eventually by giving exclusive brokerage to the provinces the ability to change the program was lost. The ineptness of the federal government to concede "flexibility" which from the Minister's own words was essential to maintain their growth objective, is impossible to explain. Here was a Department with a proud record as first class negotiators. They may have been relatively new to the field of education but they were not new to the bargaining table. It is ludicrous to imply that the Department which had settled disputes for over fifty years and did much to provide Canada with a reputation as one of the most stable places to do business was so completely outclassed by the provinces. Of course, flexibility does not matter if stability is the prime target. Further, if the object of the policy had been economic then the government could have terminated the legislation because of this inflexibility. However, despite warnings by their own evaluators and by outside sources they continued with constant rigid outlays for 18 years. Statistics show the small amount of change in any direction - change which would have been essential had the programs been attuned to the market. Of course, as the program grew it became an even greater stabilizing force and its discontinuation a very

difficult process from a political perspective.

In examining the objectives of Manpower policy the Economic Council of Canada in its 8th Annual Report said:

The above evidence shows that the Canadian government's strategy in the field of manpower policy is primarily a growth strategy, with the objectives of equity and stabilization clearly being secondary.⁶⁴

The "evidence" referred to were statements made by the Minister and some senior officials. They mentioned no objective criteria. The prestige of the Economic Council served to enshrine these three objectives as approved and authentic. At this time there was very limited data but from the little quoted in the Review it is difficult to understand how they could interpret the bulk of expenditures of training programs, predominantly in skills, going to areas of very little industry, as growth oriented. For some reason there was no discussion of the compatibility of growth, equity and stability as primary and secondary goals.

Summary of the Primary Objective - Economic Growth

It seems fair to conclude from timing, form and specific exclusions in the Act that the federal government was not primarily interested in education or training. In the past the care with which federal authorities approached the provinces when making minor adjustments to educational legislation had been noteworthy. This was essential if skill

upgrading was to be achieved. Now, when seemingly radical changes were contemplated there was no consultation, no explanation and the program was implemented before it was legislated.

The objectives described by the Minister of providing skill training and retraining, helping the individual and the economy, are not achievable through this legislation. If we accept the stated objectives, the events that followed make sense only if one assumes that the Department was both incompetent and dense. In 1960, as has been pointed out, the government was aware of the changing nature of jobs. Their interest was in training in industry because this provided cheaper and more effective training and permitted some communication with industry. The Economic Council reminded them of this in their 8th Annual Report in 1972, but lengthy studies are on file showing that prior to the introduction of this legislation, training in industry was accepted by the Department.⁶⁵ They chose, however, to go with institutional training which was more expensive as well as less effective.⁶⁶ The only explanation of this is that federal priority was not for the skill training of this segment of society but the redistribution of resources, which would enable them to control or stabilize different areas, particularly the politically important ones. Training in industry could not work because often there were no industries in which to train, in the areas where the

resources were needed. This makes the evaluation findings of people trained for jobs that were in not in demand more understandable. In Quebec, prior to 1977, one-third⁶⁷ of total training was done in agriculture, which had been in decline as a job producer for years. In introducing the need for the bill the Minister mentioned the number of farmers who were forced to leave farms and had no skills for industry. To blame "forecasting problems" as a reason for training people for farming is, therefore, not acceptable. The degree of seeming incompetence lessens when another objective is substituted - control.

Canada Manpower Centres

The Economic Council described government manpower policy for "economic growth" as having two parts:

1. through the training programs, assisted mobility, improved information, counselling, etc. to augment the market's allocative mechanism, in order to prevent structural unemployment and bottlenecks

2. that in bringing about this allocative efficiency the costs do not exceed the benefits.⁶⁸

When it came time to translate theory into practice, Canada Manpower Training Centres were the agency for both selection of candidates and for selection of courses to be purchased.⁶⁹

Counsellors whose experience was not necessarily in economics saw and assessed the clients and used their knowledge of the

3

OF/DE

3

Microl

local job opportunities to purchase appropriate training. The testimony of employers and employees before the Standing Committee on National Finance, August, 1976, showed that Canadian Manpower Centres were both inefficient and insensitive to the needs of both. The C.M.C.'s account for between 25-30% of job placements per year. Employers stated that they reported only low-skill vacancies to Manpower, preferring to use newspapers or private agencies to find staff. No more than 15% of job-searchers achieved success through Manpower's service.⁷⁰ The public's perception of the government employment agency was well known prior to the introduction of this legislation and the use of C.M.C's as the executive arm of policy must be seen as yet another example of unrealistic behaviour. C.M.C.'s did not embrace the whole market and could not implement the growth objective. The history of government employment service would have made introducing a new image very difficult had they tried. It is possible that a new agency would have been necessary. However, they weren't really trying. The matching of workers' skills to corresponding job opportunities, according to an Economic Council of Canada publication, received low priority.⁷¹ Similarly, the list of jobs trained for which were already in excess supply indicates poor attention to the demand side. Skill shortages were known by the Department and were in fact listed for Immigration officers. Of course, most of the skill shortages required longer periods of training and

were union protected. The importance of the "ladder effect" was stressed by the Economic Council in 1971⁷² but received no attention for almost ten years when "critical skills" became the vogue after a number of public and internal assessments.

Likewise, the second aspect of "growth", the cost/benefit measurement, was not undertaken in a serious fashion. The lack of a control group made the figures meaningless. If it had been economic growth that was of prime concern the extent of that growth would have been measured.

EQUITY

Like the growth objective, the equity goal had two dimensions according to the Economic Council of Canada:

- (i) reduction of poverty - manpower policy was a more acceptable form of transfer payment
- (ii) reducing regional disparity in the distribution of income.⁷³

This appears to treat training as an end. There seems to be an unstated assumption that those who get the training get a job. Economic equity was an objective which was said by the Department to be compatible with the growth objective. Through training, the unemployed would join the workforce and by removing market imbalances and bottlenecks, facilitate the growth of the economy, at the same time improving their job chances and pay. Many economists pointed out that an

economic training program did not necessarily mean that the unemployed or the poorest paid sectors of the community should become the trainees, but that training places should go to the most able and cheapest to train. Because the Department's trainees were predominantly unemployed or employment threatened, this has been used to describe the policy as equity slanted. This of course, would have been true if manpower training programs had been applied to the whole range of skills and all segments of society, in the grand tradition of O.E.C.D. theory. This was never the case. Trainees and their courses were selected at manpower centres and trainees were referred by social service agencies to such an extent that officers from the two departments shared offices when unemployment figures increased. The distribution of incomes prior to training (See Appendix No.2) shows that while some trainees were earning above the poverty line, the majority were below or very close to it. The Economic Council pointed out that training programs in the United States were more oriented towards disadvantaged groups "meaning that they are poor and have one or more serious handicaps,".⁷⁴ This they said implied more stress on equity. It is a highly debatable point whether the term "equity" makes any sense when talking about admission to a training program that does not provide access to employment and in fact does not increase chances for securing any employment, let alone better paying jobs. It is entirely conceivable that in the time they were being

trained they may found a permanent job. However, even if training is regarded as an end in itself, the transfer payments were not, over time, made in a very equitable manner.

Training allowances started off being referred to as small wages, but the percentage of monies spent on allowances which in 1967 was 54% of expenditure, ended up as representing only 18% of total outlay. The cost of the programs were affected by inflation and wage increases but training allowances were constantly reduced.

Unfortunately, as the equity objective was never measured with a control group during the period under review, there is no way to assess real equity. We do not know whether these programs helped improve the financial standing of the trainees. The 1985 study showed that on a broad range, no significant difference could be found between trainees and the control group. There is no obvious reason to suspect that the training program deteriorated. In fact, by 1985 the trainees were younger and had more years of formal schooling before entry. Perhaps the most significant fact is that equity was never measured.

Taken in its broad sense, therefore, it seems fair to say that "equity" did not play a prominent role in manpower policy. The word, however, was very important. It was the sugar coating on the pill.

STABILIZATION

Stabilization for the Economic Council went hand in hand with the growth objective. In theory, it was to reduce both price pressures and unemployment. In addition, by controlling the timing of the expenditure, programs could exert contracyclical or contraseasonal pressure.

As opposed to the economic growth and equity objectives, there is some evidence to suggest that the Department attempted to use funds to counter seasonal and cyclical fluctuations. In the early years particularly, the number of trainees were in proportion to the percentage of the unemployed labour force. As unemployment increased the number of trainees did not keep up, because of budgetary restraints. In 1937 this sort of program was called "Training for the Unemployed". Calling it contracyclical economic stabilization sounded much better. In addition, the number of trainees decreased in summer and increased in mid winter, falling off again in spring. As these programs were predominantly institutional, this was not surprising.

There is some evidence, however, to suspect that these programs worked as inflation fighters, and depressed the wages in the low skill groups by producing a plentiful supply. Looking at income distribution statistics, (while it is true that they have been remarkably stable over the last forty years), the second and third quintiles, do show a decrease in the percentage of income received from the year 1967 to 1984 - (11.4% down to 10.3% and 17.8% to 17.1%) was

experienced. (Table XVI).

TABLE XVI: Household Income by Quintiles, selected years 1951-1984:

Year	Low	Second	Third	Fourth	High
1951	4.4	11.2	18.3	23.3	42.8
1961	4.2	11.9	18.3	24.5	41.1
1967	4.2	11.4	17.8	24.6	42.0
1977	3.8	10.7	17.9	25.6	42.0
1984	4.5	10.3	17.1	25.0	43.0

Source: Extracted from C.C.S.C., Work and Income in the 1980's, Ottawa, 1986, p.19.

During this period, the bottom 40% of Canadian households received a smaller share of the country's total income. Particularly since 1976 the relative income of the working poor has declined by about \$4.5 billion (between 1974-1983) excluding government transfer payments and by about \$1.4 billion including transfer payments.⁷⁵

In addition to any economic stabilization which may have occurred there was the psychological dimension. Training offered hope. Implied in a training program of this scope was the promise that the cause of unemployment was understood and that a cure was at hand. From the turn of the century, training to mute civil disorder has produced stabilization. As a disciplinary tactic it has provided a competent, competitive workforce, willing to accept an inequitable share

of profits. It has diverted attention from persuing union action through an appeal to reason. As a reducer of unemployment it has never been successful. As a control mechanism it has been superb.

1. Department of Labour, Economics and Research Branch, Labour Organization in Canada, 1966, p.vii.
2. Department of Labour, op.cit.,p.1.
3. Department of Labour, Annual Report, 1964, p.28, 1965, p.39, 1966, p.40.
4. Department of Labour, Annual Report, 1965, p.40.
5. Special Committee of the Senate on Aging, Ottawa, 1966, p.23.
6. Department of Labour, Statement for Minister, Friday, January 14, 1966, to Federal Provincial meeting of Deputy Ministers of Labour and Education, Ottawa, p.2.
7. Cabinet Document No.268/65, Ottawa, May 21, 1965, p.1
8. Statement for Minister, op.cit., p.2.
9. Statement for Minister, op.cit., p.2.
10. Department of Labour, Memorandum from Minister of Labour to special program committee of cabinet, Ottawa, July 6, 1965, p.1.
11. Pearson, L.B., opening statement at Federal Provincial Conference, July, 1965.
12. MacEachen, A.J. Memorandum to special program committee of cabinet, Ottawa, July 6, 1965, p.1.
13. Paquet, P. "The Development of Canadian Policy in Occupational Adult Education and Manpower" in Manpower training at the Crossroads, 1976, Ottawa, p.6.

14. Watson, C. and Butorac, J., Qualified Manpower in Ontario, Toronto, 1968, p.2.
15. Chaplin, J.P., Krawiec, T.S., Systems and Theories of Psychology, 1974, p.58.
16. Smith, A., An Inquiry into the Nature and Causes of the Wealth of Nations, New York, 1909, p.22.
17. Berg, I., Education and Jobs: The Great Training Robbery, 1971, p.8.
18. Bowman, Mary J.,, "The Human Investment Revolution in Economic Thought" in Sociology of Education Vol.39., 1966, p.111.
19. Bowman, M., op.cit., p.129
20. O.E.C.D., Economic Growth 1960-1970 - A Mid-decade Review of Prospects, Paris, 1966, p.21.
21. O.E.C.D., op.cit., p.43.
22. Meltzer, A.H., Institutions, Policies and Economic Performance, p.2.
23. Fratianni, M. and Pattison, J.C., "The Economics of the OECD" in Brunner, K. and Meltzer, A.H., Institutions, Policies and Economic Performance, 1976, p.123
24. Brunner, K. and Meltzer, A.H. Institutions, Policies and Economic Performance p.124.
25. Policies for Prices, Profits and Other Non-Wage Incomes, p.15, in appendix OECD Primer on Incomes Policy. *ibid.* p131.
26. Hansen, B., "The Economics of the OECD: A Comment" in Brunner, K. and Meltzer, A.H., Institutions, Policies and Economic Performance, 1976, p.152.
27. Hodgman, D.R. "The Economics of the O.E.C.D.: A Comment" in Brunner, K. and Meltzer, A.H., Institutions, Policies and Economic Performance, p.158.
28. Breton, A., A Summary and Brief Commentary on "Economic Goals for Canada to 1970" - First Annual Review of the Economic Council of Canada, 1964.
29. Gordon, H. Scott, An Assessment of the Role of the Economic Council of Canada and an Appraisal of its Second Annual Review, 1965, p.1

30. Popkin, J. W., Performance in 1970, potentials in the 1970's., 1970, p.1
31. Economic Council of Canada, Second Annual Review, p. 91.
32. Economic Council of Canada, op.cit., p.171.
33. Gordon, H.Scott, op.cit., p.18
34. Gordon, H.Scot, Op.Cit. p.18.
35. Eastman, H.C., The Economic Council's Third Annual Review. 1966, p.24.
36. Eastman, H.C., Op. Cit., p.27.
37. Gordon, H.Scott, Op.Cit., p.22.
38. Eastman, H.C., Op.Cit., p.2.
39. Young, J.H., The Economic Council's Fourth Annual Review: A Commentary., 1967, p.18
40. Young, J.H. Op. Cit., p. 19.
41. Cape, Edward., The Economic Council and its Fifth Annual Review, 1968, p.5.
42. Economic Council of Canada, Fifth Annual Review, p.192.
43. Waverman, L., "On the Productivity of Productivity measures" in The Council, the economy, and the Potentials of the Seventies - Symposium, 1970, p.27.
44. Mogil, N., The Economic Council's Ninth Annual Review: Forecasting with Candide. 1972., p.25.
45. Freeman, C., "Research, Technical, Change and Manpower Forecasting" in Roberts, B.C.. and Smith, J.H. (Eds.) Manpower Policy and Employment Trends, 1966, p. 51.
46. Freeman, C., Op.Cit. p.53.
47. The Economic Council, Fifth Annual Review, p.34.
- 48.48.
49. Regenstreif, P., The Diefenbaker Interlude: Parties and Voting in Canada, Toronto, 1965, p.19.

50. Commons Debates, March 2, 1967, p.13681 (Hon. Mitchell Sharp)
51. Commons Debates, Mr. Marchand, March 3, 1967, p.13738.
52. Commons Debates, Mr. Prittie, March, 3, 1967.p. 13726.
53. Minister of Manpower and Immigration, Statement to Federal Provincial Conference, October 25, 1966.
54. Commons Debates, March 3, 1967, 13727.
55. Commons Debates, M. Marchand, March 3, 1967, 13737.
56. Commons Debates, Mr, Marchand, March 3, 1967, p.13739.
57. Interdepartmental Evaluation Study of the Canada Manpower Training Program, Ottawa, 1977, p. 29.
58. Economic Council of Canada, In Short Supply: Jobs and Skills in the 1980s, Ottawa, 1982, p.81.
59. Commons Debates, op.cit., 13738.
60. Commons Debates, April 24, 1967, 15267.
61. Commons Debates Mr. David Orlikow, 24th April, 1967, 15266.
62. Commons Debates, op. cit., 15264.
63. Commons Debates, March 3, 1967, 13739.
64. Economic Council of Canada, Eighth Annual Review, op.cit., p.98.
65. Department of Labour, Training in Industry - the Role of Government in its Development Typed document accompanying Cabinet papers., 1965.
66. Economic Council of Canada, Eighth Annual Review, p.104.
67. Interdepartmental Evaluation Study of the Canada Manpower Training Program, op.cit., p.28
68. Economic Council of Canada, Eighth Annual Review op.cit., p.90
69. Dupre J.S., et. al. op.cit., p.133-140.
70. McConnell, C.R., Pope, W.H., Economics, op.cit., p.374.

71. Cook, P.A., et al. Economic Impact of Selected Government Programs Directed Towards the Labour Market, Economic Council of Canada, Ottawa, 1973, p.41.
72. Economic Council of Canada, Eighth Annual Review op. cit., p.95.
73. Economic Council of Canada, Eighth Annual Review, op.cit., p.94.
74. Economic Council of Canada Eighth Annual Review, op. cit., p.99.
75. Canadian Council on Social Development, Background Document on Income Security, No.5., 1986.

CONCLUSION

CONCLUSION

In order to examine the intent of Canada Manpower Training Programs, I have gone back in history to the turn of the century and analyzed the response of government to labour demands. A consistent pattern emerged. As union strength grew so did government interest in all facets of unionism. Its conception of dispute "conciliation" was to monitor and suppress union action. The rights of workers were not central; the business of government was the preservation of a stable environment in which business could flourish.

Labour policy kept Canadian unions tame by developing the slowest conciliation procedures in the world, resulting in long drawn out strikes, which in turn produced less strike action than anywhere else. Early in the history of the Department of Labour the association was made between the radical and the unskilled, and government responded to every union strengthening with the same answer - a training program.

In boom markets government invested in skill acquisition training and in depression times the "rehabilitation" type programs. The war enlarged government contact with industry and popularised the training program, while the post war years produced a growth in government size and belief in its ability to produce change through direct intervention. The pattern remained unchanged until the mid-sixties when with the help of prestigious organizations the government announced an intent to move from the role of stabilizer to that of economic

promoter and equity dispenser. Central to its new "active" man power policy was the training program.

On the surface, this policy was not just a change in direction but almost a reversal. Moving from a history of the most conservative manpower policy Canada was suddenly closest to Sweden in the extent and form of its training program. As to why this should occur, there are plenty of glib answers: the new brand of federalism, the re-organization of federal/provincial relations, world trends towards education, re-education and "human capital", and the need for a rational, scientific approach to automation and unemployment. However, the results of the program when measured from an economic or equity perspective were inconsistent and illogical. When analyzed, neither the form taken by the legislation nor the manner in which it was implemented, supported the economic or equity objectives. Further, the extreme difficulty and complexity of the subject did not explain the inconsistencies. When analyzed from a stability objective, however, the problems vanished. What was changed was the political fashion. From the mid-sixties there was great stress placed on image, on appearance and on style. What became important was how policy sounded, rather than how well it followed historically or fitted logically with other policy. For example, manpower policy and immigration policy were not co-ordinated.

I contend, however, that this period of "active" manpower

policy has caused a serious distortion of reality. When scrutinized, the subjects of "active" manpower turned out to be the unemployed, the underemployed and the soon to be unemployed. As this was not supposed to be "training for the unemployed" their inclusion in the sample was called "equity".

The illusion was created that skill training produced well paying jobs, whereas, at the low end of the skill ladder where the majority of training was offered, there is a stronger association between union membership and higher pay. The use of training programs within the framework of an economic manpower theory clouded the issues and permitted government to avoid any responsible action towards the unemployed and the working poor. Further, it clouded what is known and understood about the causes of unemployment. It also distorted the capability of government. Crucial to the successful implementation of training programs is the ability of the government to forecast. As an expert in forecasting put it, "To be effective programs have to anticipate areas of growth and decline, judge the changing tastes in the community, the level and nature of technology and take into account world prices. Having done this the forecast itself will have altered the situation!"¹ As business has recorded, Manpower has had difficulty in executing a simple placement.

The Adult Occupational Training Act introduced a dangerous precedent. It claimed, in peace time, the right of

a central government to choose who would be capable of benefiting from training, and the occupation for which training should be provided. It is a short step from "recommending" to "ordering". This may sound dramatic but there is some evidence to suggest that this is already happening. In Saskatchewan some social service recipients received telephone calls from EIC telling them that they were scheduled for a job interview. Not realizing it was a royal command, they found out that if they failed to go or refused the job they received no cheque at the end of the month.² The Consultation Paper on Training, 1984, contained among the options for support of training for the unemployed one that contemplated changing the UI Act so that "all UI recipients could be referred to training, job creation or community service after a specified period for job search."³ At best this legislation puts government in a conflict situation where they are forced to weigh the good of the individual against the political expediency of reducing costs.

Perhaps the worst aspect of large scale training programs is that they perpetuate the idea that the individual can be and should be changed and fitted into the market. It keeps alive the myth of equal opportunity and rationalizes discrimination against the poor. It ignores ability, poor health, bad housing, inappropriate early schooling and a myriad of other social ills. It denies the development of a true egalitarian society.

Employment and Immigration completed in April, 1987, a program review of their Re-entry Option. Re-entry is one of the five parts of Job Entry, and is designed for women "having difficulty entering or re-entering the labour force after working in the home for at least three years".⁴ In more specific terms the objective was "to provide participants with a skills base in preparation for employment, increased earning capacity, or more specialized training."⁵ Information from a survey (N=432) of Re-entry participants 1985-6 was analyzed and the data matched with file data. The information from the 181 subjects who completed the program was separated from the 251 subjects who discontinued. While a higher percentage of completers found employment (53%) than did the non-completers (47.5%), more non-completers (25.5%) found full time jobs than the completers (23.8%). This study showed that part-time employment was substantially more predominant among those who completed the project (completers : 33.1%, non-completers: 18.7%). The majority of training was done in clerical (37%), sales(13%) and service (21%) and the mean weekly salary received for completers was \$200 as opposed to \$235 for non-completers.

My point in quoting this study which is part of the new Jobs Strategy program and thus outside of the boundaries of my work, is to illustrate three things:

1. Changing the type of training program makes very little difference to outcome. Training on the job,

institutional, or a combination of both, does not get around the basic problem of job shortage and over supply of labour. It merely clouds the issue. The successful full-time job hunters from this group were receiving an annual salary \$3,613 below the poverty line if they had one dependent (if they persevered and completed). If they rejected the training they did a little better but were still \$2,417. below the poverty line.⁶

As women are predicted to make up 63% of new entrants into the labour market between now and the year 2000⁷ the problem cannot be left to training.

2. \$1.5 billion spent on Jobs Strategy is not being accounted for in a clear and forthright fashion. The Annual Report for 1986-7, contains no mention of any review, let alone giving any specific data. It should be possible for any Canadian to read the Annual Report and to be able to judge the true state of any program. When the Department of Labour ran programs, a good sample of data was provided with outcome statistics. There is no reason this could not be done to-day. Instead, on a project of this magnitude, we have, in the 1986-7 Annual Report, eight partly filled pages with at least fifty percent of that devoted to pictures of the happy workers and little green boxes containing misleading and non-representative profiles of subjects in the various sections. For example, for Re-entry (as reviewed above) we have a chatty little piece "Every day brings new challenges for Linda S., who is learning to become an electrical contracting estimator after ten years

at home....."⁸, under the banner in large print "The programs are working and working well". The new image is not just a change in political style. It is accompanied by a real change within the public service. Fundamental to our system of government is accurate, fair reporting of government action. Here is a clear example that information is being distorted and suppressed.

3. Unemployment is not being discussed. The skills contained within CEIC are being wasted. Research into market problems could encourage more open discussion of the difficulties surrounding the subject instead of pretending success. The current measures are woefully inadequate because of the changing nature of the labour market:

(a) The international character of the workforce and the use by all the industrial nations of cheap outside labour. The poverty of neighbors is being exploited. On the U.S. Mexican border a well educated medium skilled worker is paid between 50 cents and 75 cents an hour. What is Canadian policy? A training program?

(b) The decrease in the amount of large scale manufacturing and the appearance of small service type industry, offering poor pay and limited chance of advancement. During research at M.I.T. on 12 million individual business establishments since 1969, David Birch(1987)⁹ tracked the way jobs were created and destroyed, and examined the structure of the service sector. He estimated that small companies employing

less than 20 workers are the ones that create the most jobs.

He says that 83% of businesses are in this category and employ 25% of the workforce. The Bureau of Labour Statistics in America state that they expect that 7 million of the 19 million new jobs created by 1990 will be for menial, low wage, service and clerical work.¹⁰ Looking at skill requirements of jobs between 1960 and 1976 in the United States, Russel Rumberger (1981) showed that shifts in the distribution of employment among jobs and changes in the skill requirements of individual jobs combined to produce a decrease in both low skilled and high skilled jobs and an increase in middle level jobs. He showed that the opportunity for high skilled labour increased only moderately but the education system continued to produced an increased proportion of college educated workers. This produced a percentage of overqualified workers who were forced to take jobs in the middle skill category. Further, employers' reliance on increased credentialism as a screening process often confuses the real skill need with the demanded skill need. Sullivan showed that despite the transition from the blue-collar to white-collar category, the real skill level of jobs has not changed since the 1970's.¹¹ Although all these studies stress the difficulties in measurement of data they all support the shortage of skilled, better paying jobs. Because technology appears to be increasing it does not mean that the number of well paid, skilled workers is steadily growing. In the

electronic industry, for example, the use of part-time, temporary workers has been observed. Further, the labour intensive assembly lines of this industry are the ones moving to foreign factories in order to gain even cheaper labour.

(c) By maintaining high unemployment rates even poor paying, menial jobs are beyond the reach of the partially disabled. About 16% of the population falls into this category and while some qualify for pensions, others do not.

(d) The dual income family, producing glaring inequalities for single parent families, (as high income tends to live with high income) puts upward pressure on essentials like housing, day care, etc. The middle class is shrinking and two classes are being drawn.

(e) The decline in the power of unions, caused by small firms, low skill level of work, and the drawing away of the most able.

(f) High productivity through automation produces high profits but fewer jobs. Gordon Ternowetsky (1986) looked at the influence of profits on jobs. With the increase in technology, corporate giants have the capital to invest, but in so doing displace labour to enhance profit. For this the government often showers them with tax breaks, on the assumption that where there is profit there will be jobs created. Ternowetsky tested this assumption by reviewing cumulative profits, growth in assets and employment changes between 1981 and 1984 for Canada's five top banks and four

oil companies. During the 4 years all companies reported profits, in fact, total profit growth for both industries in the 4 years was \$12.087 billion. In addition to growth in profit and assets they received substantial government aid. He found, however, that there was a reduction of jobs in the midst of growing profits - 16.9% decrease in oil company jobs and in three of the five banks there were decreases, for an overall industry gain of 1/2 of 1 percent - compared to \$6.479 billion - 402 % profit growth. Further he maintained that the decline in jobs is continuing and announced a new type of unemployment "profit induced". This he found to be occurring in the top 100 companies where job reduction is taking place.

Since the federal government grudgingly assumed responsibility for unemployment, it has tried to produce a means of handling the problem. The depression years left the electorate intolerant of inaction. In the boom years after the war the argument was what rate of unemployment was acceptable or even necessary to keep inflation at bay. Three or even five percent was the common range of prediction among economists. Canada committed to 3.1%, although we have not seen a figure below 5% since the 1960's and in the 1980's we appear to accept around 10% with gratitude. With the loss of jobs through free trade the government immediately talks of increasing not jobs but training. No member of the opposition complains unless it is to say that the training program is inadequate and should be enlarged. Yet evaluation

has shown that training programs over a broad range do not improve the lot of workers in gaining, keeping or improving their job. Is the government implying that all we need is a new and improved training program? Training, however it is managed, remains inescapably goal oriented. Once the goals disappear training cannot help.

1. Kruger, A., in Kruger, A. and Meltz, N.W. (ed.) The Canadian Labour Market - Readings in Manpower Economics, Toronto, 1968, p.28
2. Donovan, K., Jeffries, B., Canadian Response to the Economic Crisis, Unpublished paper, 1986, p.14
3. Government of Canada, Consultation paper - Training, Ottawa, 1984, p.20.
4. Employment and Immigration Canada, Annual Report, 1986-87, p.23.
5. Employment and Immigration, Canada, Canadian Jobs Strategy Group, Job Entry - re-entry option, April, 1987, p.4.
6. Employment and Immigration Survey, op.cit., Appendix 11.
7. Collins, S., Riessman, F., "The New Opening for a Full Employment Movement", in Social Policy, Winter, 1987, p.2.
8. Employment and Immigration Annual Report, op.cit., p.25.
9. Birch, D..L., How our Smallest Companies Put the Most People to Work, MacMillan Inc., New York, 1987, p.8.
10. McGahey, R., Jeffries, J., op.cit., p.6.
11. McGahey, R., Jeffries, J. "Minorities and the Labor Market: Twenty Years of Misguided Policy" in Social Policy, Winter, 1987, p.7.

- Piore, M. J. (ed.), Unemployment and Inflation - Institutional and Structuralist Views. M.E. Sharp, Inc., White Plains, 1979.
- Popkin, J.W., "Performance in 1970, Potentials in the 1970's in The Council, the Economy, and the Potentials of the Seventies, papers presented at a symposium sponsored by the Montreal Economics Association, Nov., 1970.
- Regenstreif, P. The Diefenbaker Interlude: Parties and Voting in Canada. Longman's Canada, Toronto, 1965.
- Richter, L. (ed.) Canada's Manpower Problem, McMillan, Toronto, 1939.
- Roberts, B.C., Smith, J.H., (Eds.) Manpower Policy and Employment Trends The Gresham Press, Old Woking, 1966.
- Rumberger, R.W., "Changing Skill Requirements of Jobs in the U.S. Economy" in Industrial and Labour Relations Review, Vol 34, No.4, July, 1981.
- Simeon, R., Federal-Provincial Diplomacy - The Making of Recent Policy in Canada, University of Toronto Press, Toronto, 1972.
- Sinnett, W.E., Federal-Provincial Developments Leading Toward a Manpower Policy, Toronto, 1974.
- Smith, David C., The Dual Labour Market Theory: A Canadian Perspective, Industrial Relations Centre, Queens Univ., 1976.
- Somers, G.G. and Wood, W.D, (eds.) Cost-Benefit Analysis of Manpower Policies, Proceedings of a North American Conference, Hanson & Edgar, Ltd., 1969.
- Sorkin, Alan L., Education, Unemployment and Economic Growth. D.C. Heath & Co., Lexington, 1974.
- Tiffany, D.W., Cowan, J.R., Tiffany, P.M., The Unemployed. Prentice-Hall, Inc., New Jersey, 1974.
- Stamp, R.M., "Report of the Royal Commission on Industrial Training and Technical Education, 1899-1918" in Canadian Historical Review, December, 1971.

- Atherton, James J., The Department of Labour and Industrial Relations 1900-1911, M.A. Thesis, Carleton University, 1972.
- Beck, J.M., Pendulum of Power, Prentice-Hall, 1968.
- Berg, I., Education and Jobs: The Great Training Robbery, Beacon Press, Boston, 1971,
- Betz, R.C., Collins, K., Manpower Programs: Equity and Integration, Canadian Council on Social Development brief to the Standing Committee on National Finance, April, 1975.
- Birch, D.L., Job Creation in America: How the Smallest Companies Put the Most People to Work, The Free Press, New York, 1987.
- Borus, M.E., Tash, W.R., Measuring the Impact of Manpower Programs. Ann Arbor, 1970.
- Bowen, Howard R., in Moore, L.F. (ed.) Manpower Planning for Canadians, An Anthology, Institute of Industrial Relations, Univ. British Columbia, 1975.
- Bowman, M.J. "The Human Investment Revolution in Economic Thought" in Sociology of Education, Vol. 39, 1966.
- Bowring, J., Competition in a Dual Economy, Princeton Univ. Press, 1986.
- Breton, A., A Summary and Brief Commentary on Economic Goals for Canada to 1970, Canadian Trade Committee of the Private Planning Association of Canada, Montreal, 1964.
- Brewis, T.N., (ed.) Growth and the Canadian Economy, Ottawa, 1965.
- Bruner, K., Meltzer, A.H., (Eds.) Institutions, Policies and Economic Performance. North-Holland, Amsterdam, 1976.
- Buckley, H. Training under CMPT and its Relation to other Major Supply Channels - a background paper prepared for the Manpower Training Program Review Committee., Ottawa, 1975.

- Canada, Department of Labour, Annual Report, Ottawa, 1900-1968.
- Canada, Department of Labour, Labour Organization in Canada, Ottawa, 1910-1967.
- Canada, Department of Labour, Strikes and Lockouts in Canada, Ottawa, 1950-1968.
- Canada Manpower Training Program Continuing Follow up Survey Report on Training Outcomes, Ottawa, 1976.
- Canada, Employment and Immigration, Consultation Paper, Training, 1984.
- Canada Employment and Immigration Commission - Evaluation National Institutional Training Program, Ottawa, June, 1985.
- Canada, Task Force on Labour Market Development Technical Study, No.19., Ottawa, Supply and Services Canada, 1981.
- Canadian Council on Social Development, Work and Income in the Nineties, Background Documents on Social Reform, Ottawa, 1986.
- Cape, E., The Economic Council and its Fifth Annual Review, Canadian Trade Committee of the Private Planning Association of Canada, 1968.
- Casselman, P.H., Economics of Employment and Unemployment, Public Affairs Press, Washington, 1955.
- Chaplin, J.P., Krawiec, T.S., Systems and Theories of Psychology, Holt, Rinehart and Winston, 1974.
- Cook, P.A., Jump, G.V., Hodgins, D.D, Szabo, C.J., Economic Impact of Selected Government Programs Directed Toward the Labour Market Economic Council of Canada, Ottawa, 1976.
- Corcoran, J, O'Kelly, M.E.J., "Manpower Planning" in Moore, L.F.(ed.) Manpower Planning for Canadians , An Anthology, Institute of Industrial Relations, Univ. British Columbia, 1975.
- Cullen, B., Notes for a Speech in the Throne Speech Debate, Employment Strategy, Ottawa, 1976.

- de Lone, R. H., Small Futures, Children, Inequality and the Limits * Liberal Reform, Harcourt Brace Jovanovick, New York, 1979.
- Doern, G. B., Aucoin, P. (Eds.) Public Policy in Canada - Organization, Process and Management, Macmillan Co. of Canada, Toronto, 1979.
- Dymond, William R., "The Role of Benefit/Cost Analysis in Formulating Manpower Policy" in Somers, G.G. and Wood, W.D., (eds.) Cost-Benefit Analysis of Manpower Policies: Proceedings of a North American Conference, May 14,15, 1968.
- Dupre, J.S., Cameron, D.M., McKechnie, G.H. and Rotenberg, T.B., Federalism and Policy Development: the case of adult occupational training in Ontario, University of Toronto Press, 1973.
- Eastman, H. C., The Economic Council's Third Annual Review, Canadian Trade Committee of the Private Planning Association of Canada, Toronto, 1966.
- Economic Council of Canada, Fifth Annual Review - The Challenge of Growth and Change., Ottawa, September, 1968.
- Economic Council of Canada, Second Annual Review - Towards Sustained and Balanced Economic Growth, Ottawa, Dec., 1965.
- Economic Council of Canada, In Short Supply - Jobs and Skills in the 1980's, Ottawa, 1982.
- Economic Council of Canada, Eighth Annual Review - Design for Decision Making, Ottawa, 1972.
- Employment and Immigration Canada, Annual Report, 1966-1986, Ottawa.
- Employment and Immigration Canada, Entry: Guide to Proposal Development., Ottawa, 1985.
- Everett, D.D. (Chairman) Report of the Standing Senate Committee on National Finance on Canada Manpower, Ottawa, 1976.
- Faradzhev, F.A., Solving employment problems in a labour-surplus Region of the USSR: The case of Azerbaijan, in International Labour Review, Vol. 126, No.3, 1987.

- Findlay, Peter C., "Theories of the State and Social Welfare in Canada" in Canadian Journal of Social Work Education, Vol 4, 1978.
- Fisk, D., Kiesling H., Muller, T., Private Provision of Public Services: An Overview., The Urban Institute, Washington.
- Fullerton, D.H., Hampson, H.A. "Canadian Secondary Manufacturing Industry" Royal Commission on Canada's Economic Prospects, Ottawa, 1957.
- Ginzberg, E., Mills, D.Q., Owen, J.D., Sheppard, H.L., Wachter, M.L., Work Decisions in the 1980's, Arbor House Pub. Co. Boston, 1982.
- Glendenning, D., A Review of Federal Legislation Relating to Technical and Vocational Education in Canada, Ottawa, 1968.
- Golldman, B., New Directions for Manpower Policy, C.D. Howe Research Institute,, 1976.
- Gordon, H. Scott, An Assessment of the Role of the Economic Council of Canada and an Appraisal of its Second Annual Review, Canadian Trade Committee of the Private Planning Association of Canada, Ottawa, 1965.
- Government of Canada, Training, Minister of Supply and Services Canada, 1984.
- Gower, D.E., Job Search Patterns in Canada. Special Labour Force Studies, Series A, No.10, Statistics Canada, Ottawa, 1975.
- Gunderson, M., "Impact of Government Training Subsidies" in Industrial Relations, 13, 1974.
- Haythorne, George V., National Selective Service - History of Wartime Activities - Notes prepared as A.D.M. Department of Labour, 1946-47.
- Herrnstein, R. J., Boring, E.G., A Source Book in the History of Psychology. Harvard University Press, 1965.
- Horowitz, I.L. (Ed.) Equity, Income, and Policy, Comparative Studies in Three Worlds of Development, Praeger Publishers, New York, 1977.
- Hughes, D., "A Portrait in Steel" Interview by Michael Frisch in Social Research Vol. 54, No.2.

Hyman, Richard, Strikes, Collins, Glasgow, 1978.

Interdepartmental Evaluation Study of the Canada Manpower Training Program, Ottawa, 1977.

Jain, S.K." The need for an operational thrust to human resources development", in International Labour Review, Vol. 125,, No.6., 1986.

Jamieson, Stuart M., Times of Trouble: Labour Unrest and Industrial Conflict in Canada, 1900-66. Task Force on Labour Relations, Study, No.22, Ottawa, 1968.

Job Experience Training Program Evaluation Report, 1977-1978.

Kaliski, S.F., Labour Turnover in Canada a survey of Literature and Data. Industrial Relations Centre, Queen's University, Kingston, 1981.

Kent, T.W., Social Policy for Canada, Ottawa, 1962.

Knowles, Stanley, "The Labour Situation in Canada" in Canadian Labour, Vol. 4, 1959.

Labour Market Development in the 1980's. A Report of the Task Force on the Labour Market Development prepared for the Minister of Employment and Immigration as a contribution to a process of consultation with Provincial Governments and organizations representing different elements of the private sector. Ottawa, July, 1981. (Dodge Report)

Letourneau. P., Functional Analysis - The Canada Manpower Training Program Task Force, May, 1974.

Lloyd, W.S., The Role of Government in Canadian Education, Toronto, 1958.

Mangum, Garth L., Employability, Employment, and Income, Olympus Pub. Co., Utah, 1976.

Marris, R., The Theory and Future of the Corporate Economy and Society, North Holland, 1979.

Matusiewicz, P., Work Activity Projects, I.E.P. Carleton, 1978.

McConnell, C.R., Pope, W.H., Economics, McGraw-Hill Ryerson Ltd., 1978.

- McDonald, Bruce, Flows into Unemployment, Statistics Canada, Labour Force Survey Division, Ottawa, 1978.
- Meisel, J.(ed.) Papers on the 1962 Election, University of Toronto Press, 1964.
- Meisel, J., The Canadian General Election of 1957, University of Toronto Press, 1962.
- Meltz, Noah M., "Manpower Policy Interest" in Moore, L F.(ed.) Manpower Planning for Canadians, An Anthology, Institute of Industrial Relations, Univ.British Columbia, 1975.
- Messick, D.M. Cook, K.S., Equity Theory: Psychological and Sociological Perspectives, Praeger, New York, 1983.
- Miliband, R, Marxism and Politics Oxford University Press, Oxford, 1977.
- Mogil, N., The Economic Council's Ninth Annual Review, C.D. Howe Research Institute, 1973.
- Morantz, A. "In Short Supply: Jobs and Skills" in Worklife: The Magazine of Employment Issues, V.2, No.6, 1982.
- Morris, M. and Williamson, J.B., "Workfare: The Poverty/Dependence Trade Off" in Social Policy, Summer, 1987.
- Ng, Sel-Hong, Training problems and challenges in a newly industrialising economy: The case of Hong Kong, in International Labour Review, Vol.126, No.4, 1987.
- Offe, C., Contradictions of the Welfare State (edited by John Keane) MIT Press, Cambridge, Mass., 1987.
- Organisation for Economic Co-operation and Development, Direct Job Creation in the Public Sector, Paris, 1980.
- Organisation for Economic Co-Operation and Development, Economic Growth 19560-1970, Paris, 1966.
- Organization for Economic Co-operation and Development, Occupational Training, Annotated Bibliography, Paris, 1970.
- Paquet, P. "The Development of Canadian Policy in Occupational Adult Education and Manpower" in Manpower Training at the Crossroads., C.A.A.E., Ottawa, 1976.

- Piore, M. J. (ed.), Unemployment and Inflation - Institutional and Structuralist Views. M.E. Sharp, Inc., White Plains, 1979.
- Popkin, J.W., "Performance in 1970, Potentials in the 1970's in The Council, the Economy, and the Potentials of the Seventies, papers presented at a symposium sponsored by the Montreal Economics Association, Nov., 1970.
- Regenstreif, P. The Diefenbaker Interlude: Parties and Voting in Canada. Longman's Canada, Toronto, 1965.
- Richter, L. (ed.) Canada's Manpower Problem, McMillan, Toronto, 1939.
- Roberts, B.C., Smith, J.H., (Eds.) Manpower Policy and Employment Trends The Gresham Press, Old Woking, 1966.
- Rumberger, R.W., "Changing Skill Requirements of Jobs in the U.S. Economy" in Industrial and Labour Relations Review, Vol 34, No.4, July, 1981.
- Simeon, R., Federal-Provincial Diplomacy - The Making of Recent Policy in Canada, University of Toronto Press, Toronto, 1972.
- Sinnett, W.E., Federal-Provincial Developments Leading Toward a Manpower Policy, Toronto, 1974.
- Smith, David C., The Dual Labour Market Theory: A Canadian Perspective, Industrial Relations Centre, Queens Univ., 1976.
- Somers, G.G. and Wood, W.D, (eds.) Cost-Benefit Analysis of Manpower Policies, Proceedings of a North American Conference, Hanson & Edgar, Ltd., 1969.
- Sorkin, Alan L., Education, Unemployment and Economic Growth. D.C. Heath & Co., Lexington, 1974.
- Tiffany, D.W., Cowan, J.R., Tiffany, P.M., The Unemployed. Prentice-Hall, Inc., New Jersey, 1974.
- Stamp, R.M., "Report of the Royal Commission on Industrial Training and Technical Education, 1899-1918" in Canadian Historical Review, December, 1971.

Swidinsky, R., Unemployment and Labor Force Participation - The Canadian Experience., University Microfilms Ltd., Ann Arbor, 1969.

Taylor, K.W., "Economic Scholarship in Canada", in Canadian Journal of Economics and Political Science, Feb., 1960.

The 72nd Session of the International Labour Conference, June, 1986, in International Labour Review, Vol.125, No.5, 1986.

Wachter, M. L. and Wachter, S. M., Toward a New U.S.Industrial Policy, Univ. of Pennsylvania Press, Philadelphia, 1981.

Wilcock, R.C., Franke, W.H., Unwanted Workers. Collier-Macmillan Ltd., London, 1963.

Williamson, J.B., "Social Security and Physical Quality of Life" in Social Indicators Research, Vol.19, No.2, May, 1987.

Wilson, N.A.B., (ed.) Manpower Research. English Universities Press Ltd., London, 1969.

Young, J.H., The Economic Council's Fourth Annual Review, Canadian Trade Committee of the Private Planning Association of Canada, B.C., 1967.

APPENDICES

APPENDIX 1

Table 1:

C.M.P.T. INSTITUTIONAL PROGRAM TRAINEES BY TYPE OF TRAINING
IN PERCENTAGES

	Skill	B.T.S.D.	Apprentice	Language	WAT	JRT
1977	39%	25.5%	32%	4.4%	-	-
1978	40.1	19.3	31.7	3.5	1	4
1979	40.9	16.8	31.4	6.5	0.6	3.8
1980	37.1	14.3	33.7	9.2	0.7	3.9
1981	36.6	13	37.1	6.6	0.7	4.2
1982	36.5	11.6	37.8	7.5	-	3.9
1983	37.5	13	34.7	7.6	0.7	4.2

*Occupational Orientation was added 1980- 1.1%; 1981- 1.8%;
1982 - 2%; 1983 - 2.6%

Table 2:

C.M.T.P. INDUSTRIAL PROGRAM - STATUS OF TRAINEES

	Employed	Unemployed	Employment Threatened	Special Needs
1977	40%	49.6%	1%	9.3%
1978	41.5	49.2	0.8	8.5
1979	47.4	44.5	0.6	7.5
1980	47.6	41.3	0.8	10.3
1981	52.9	39	0.5	7.6
1982	42.8	42.3	5.4	9.5
1983	45.7	40.7	4.9	9.2

Table 3:

INSTITUTIONAL TRAINING - Expenditure

UNEMPLOYMENT	TRAINING	ALLOWANCES		TOTAL
	\$MILL.	\$MILL	\$MILL	RATE
1977-8	302	191	493	8.4%
1978-9	332	117	449	8.3%
1979-80	346	84	430	7.4%
1980-1	395	104	499	7.5%
1981-2	420	106	526	8.0%
1982-3	482	109	591	12.0%

Table 4:

C.M.T.P. INSTITUTIONAL AND INDUSTRIAL - EXPENDITURES AND
TRAINEES BY PERCENTAGE YEARLY TOTALS

	INSTITUTIONAL		INDUSTRIAL	
	EXPENDITURES	TRAINEES	EXPENDITURES	TRAINEES
			GIT	CTST
1977	86.5%	76.7%	13.5%	23.3%
1978	85.3	72.4	15.7	27.6
1979	80.9	73.0	19.1	27.0
1980	81.4	72.8	17.4	1.2 25.9
1981	79.3	76.0	16.7	4 23.1
1982	82.2	86.5	10.1	5.2* 3.4
1983	79.0	83.	10.1	6.3* 6.6
*Remainder Skills Growth Fund				

Source: C.E.I.C. Annual Reports, 1977-1983.

APPENDIX 2: DISTRIBUTION OF INCOME

Table 1:

Comparison of the weekly wages before and 12 months after
Training for Participants who Completed or Discontinued a BTSD Course
in 1978-79 by Different Trainee Characteristics and Province

Characteristics of BTSD Trainees and Province	Actual Weekly Wages					
	Completers			Discontinuants		
	Before Training	After Training	Per Cent Change	Before Training	After Training	Per Cent Change
	(\$)	(\$)	%	(\$)	(\$)	%
BTSD	150	191	27.3	150	202	34.7
BJRT	132	170	28.8	130	164	26.2
WAT*	*	*		*	*	
ALL TRAINEES	146	187	28.1	147	196	33.3
Sex						
Male	185	232	25.4	178	236	32.6
Female	111	146	31.5	108	145	34.3
Age						
14-24 years	144	186	29.2	148	207	39.9
25-34 "	155	196	26.5	157	202	28.7
35+	141	176	24.8	123	133	8.1
Education						
1-7 years	133	177	33.1	149	214	43.6
8-9 "	149	183	22.8	141	206	46.1
10-11 "	151	193	27.8	152	187	23.0
12 "	149	188	26.2	163	169	3.7
13+	*	*		*	*	
Province						
Newfoundland	108	*		*	*	
Prince Edward Island	*	*		*	*	
Nova Scotia	120	162	35.0	*	*	
New Brunswick	134	171	27.6	*	*	
Quebec	153	190	24.2	162	191	17.9
Ontario	137	179	30.7	137	187	36.5
Manitoba	154	173	12.3	*	*	
Saskatchewan	151	190	25.8	*	*	
Alberta	157	222	41.4	*	*	
British Columbia	160	193	20.6	138	226	63.8
Type of Income Support						
No financial support	125	154	23.2	*	*	-
Training allowances	134	179	33.6	137	177	29.2
Unemployment Insurance	175	209	19.4	162	224	38.3
Status of Post-training Occupation¹						
Same as occupational goal	140	184	31.4	167	182	9.0
Different from occupational goal	147	187	29.1	150	204	36.0
Scheduled Course Duration						
20-29 days	146	197	34.9	*	*	-
30-39 "	134	175	30.6	101	139	37.6
40-59 "	134	158	17.9	152	193	27.0
60-89 "	150	191	27.3	137	192	40.1
90-119 "	143	197	37.8	150	169	12.7
120-179 "	160	187	16.9	156	220	41.0
180+	142	194	36.6	156	189	21.2

* Insufficient number of observations to allow for reliability of the data.

¹ Refers only to trainees who were employed after training.

Comparison of the Proportion of Time Employed 12 Months Before and
12 Months After Training for Participants Who Completed or
Discontinued a SKILL Course in 1978-79 by Different Trainee Characteristics

Characteristics of Trainees	SKILL TRAINEES			
	Completers		Discontinuants	
	Per Cent of Time Employed Before	Per Cent of Time Employed After	Per Cent of Time Employed Before	Per Cent of Time Employed After
- (Average in Per Cent) -				
<u>ALL TRAINEES</u>	52.8	74.1	46.9	65.7
<u>Sex</u>				
Male	59.6	78.1	51.4	71.5
Female	43.7	68.7	40.2	57.2
<u>Age</u>				
14-24 years	51.7	74.5	46.2	67.0
25-34 "	55.8	75.1	49.0	64.5
35+ "	50.3	71.4	45.0	63.8
<u>Education</u>				
1-7 years	49.7	67.7	37.2	65.4
8-9 "	49.0	70.8	41.5	63.9
10-11 "	50.9	72.0	46.3	65.8
12 "	56.9	77.0	51.7	64.2
13+ "	55.4	80.2	48.6	69.4
<u>Province</u>				
Newfoundland	46.1	61.5	47.8	62.6
Prince Edward Island ¹	61.4	67.7	"	"
Nova Scotia	52.2	72.6	42.4	58.9
New Brunswick	53.8	68.9	42.4	54.9
Quebec	56.9	70.4	51.8	60.6
Ontario	49.5	76.2	44.9	70.4
Manitoba	53.3	79.4	49.7	70.9
Saskatchewan	58.1	79.3	36.1	55.8
Alberta	53.1	81.8	40.0	64.6
British Columbia	53.3	79.4	49.5	64.1
<u>Type of Income Support</u>				
No financial support	58.8	77.6	50.0	68.8
Training allowances	47.5	72.3	39.2	61.3
Unemployment insurance	61.5	76.5	55.8	70.6
<u>Status of Post-training Occupation²</u>				
Same as training occupation	58.2	88.6	59.7	89.3
Different from training occupation	54.6	84.0	51.4	82.9
<u>Scheduled course duration</u>				
10-19 days	52.5	67.6	45.9	74.0
20-29 "	57.8	79.5	53.7	64.9
30-39 "	54.0	71.1	43.2	67.4
40-59 "	47.5	72.8	45.4	63.6
60-89 "	47.6	69.8	42.9	61.7
90-119 "	52.5	73.2	45.9	68.1
120-179 "	52.8	74.9	46.8	65.8
180+ "	55.9	76.9	49.0	65.9

1 Due to the small sample size in Prince Edward Island, the employability results were not reliable, nor representative.

2 Refers only to trainees who were employed after training.

APPENDIX 2: Table 2

Comparison of the Weekly Wages Before and 12 Months After
Training for Participants Who Completed or Discontinued a SKILL Course
in 1978-79 by Different Trainee Characteristics

Characteristics of Skill Trainees	Average Weekly Wages					
	Completers			Discontinuants		
	Before Training	After Training	Per Cent Change	Before Training	After Training	Per Cent Change
	(\$)	(\$)	%	(\$)	(\$)	%
ALL TRAINEES	184	239	29.9	182	222	22.0
Sex						
Male	219	282	28.8	222	263	18.5
Female	129	178	38.0	127	161	26.8
Age						
14-24 years	171	236	38.0	172	215	25.0
25-34 "	197	254	28.9	188	228	21.3
35+	184	219	19.0	205	230	12.2
Education						
1-7 years	209	252	20.6	191	193	1.0
8-11 "	178	232	30.3	186	220	18.3
12 "	186	250	34.4	175	229	30.9
13+	183	240	31.1	185	218	17.8
Province						
Newfoundland	170	233	37.1	189	195	3.2
Prince Edward Island	168	223	32.7	**	**	-
Nova Scotia	190	253	33.2	192	232	20.8
New Brunswick	162	214	32.1	171	202	18.1
Quebec	185	226	22.2	213	228	7.0
Ontario	167	225	34.7	167	211	26.3
Manitoba	183	228	24.6	145	234	61.4
Saskatchewan	204	291	42.6	**	**	-
Alberta	189	253	33.9	**	**	-
British Columbia	211	282	33.6	208	257	23.6
Type of Income Support						
No financial support	181	242	33.7	170	214	25.9
Training allowances	167	225	34.7	151	190	25.8
Unemployment Insurance	216	268	24.1	221	257	16.3
Status of Post-training Occupation¹						
Same as training occupation	196	259	32.1	197	255	29.4
Different from training occupation	176	228	29.5	180	209	16.1
Scheduled Course Duration						
10-19 days	189	263	39.2	*	*	-
20-29 "	227	273	20.3	*	*	-
30-39 "	202	247	22.3	224	290	29.5
40-59 "	186	223	19.9	194	223	14.9
60-89 "	170	222	30.6	210	243	15.7
90-119 "	180	241	33.9	185	223	20.5
120-179 "	175	230	31.4	186	203	9.1
180+	174	243	39.7	167	220	31.7

* Insufficient number of observations to allow for reliability of the data.

¹ Refers only to trainees who were employed after training.

END

1|8|09|90

FIN