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THE POLITICS OF WAGE CONTROLS: THE
CANADIAN STATE, ORGANIZED LABOUR
AND CORPORATISM, 1975-1978

by
Anthony Giles

A thesis submitted to Carleton University
in partial fulfillment of the requirements
for the degree of
Master of Arts
in
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and Corporatism, 1975-1978"

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ABSTRACT

The thesis examines the debate over 'tripartism' which occurred in Canada during 1975-1978, the period of the federal government's wage and price control programme. The analysis of this period is set within the historical context of the post-World War II Canadian political economy. It is suggested that the debate over tripartism can be interpreted with reference to the changing role of the Canadian state in the post-war period: specifically, the movement from an interest group mode of political representation to a corporatist mode, and the corresponding movement from an 'indirect' mode of state intervention to a 'direct' mode ('planning').

The actual debate over tripartism is considered on two levels - the organized labour-business-state level and the intra-labour level. The major finding of this analysis is that opposition to voluntary income restraint and tripartism within the Canadian Labour Congress blocked the formulation of a tripartite agreement which would have ended mandatory controls and substituted a tripartite advisory council.

The thesis concludes by analyzing the 'prospects' of corporatism in Canada. It is suggested that, in the absence of the need to impose an incomes policy in the near future, current corporatist initiatives may create a strong base upon which a voluntary incomes policy may eventually be formulated. However, the decentralized structure of the Canadian labour movement will remain a significant - although not insurmountable - impediment.

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Finally, I thank my parents - for encouraging me not to drop out of high school, for teaching me the pleasure of reading and learning, and for their consistent and loving support.

ABBREVIATIONS USED

AHCSOI	Ad Hoc Committee of Senior Officials on Inflation
AFL	American Federation of Labour
AIB	Anti-Inflation Board
BCGEA/U	British Columbia Government Employees Association/Union
BCNI	Business Council on National Issues
BCNI/CLC	An Unholy Alliance
CLRC	Canada Labour Relations Council
CBA	Canadian Bankers' Association
CBRT	Canadian Brotherhood of Railway Trainmen
CCCL	Canadian and Catholic Confederation of Labour
CCC	Canadian Chamber of Commerce
CCL	Canadian Congress of Labour
CFIB	Canadian Federation of Independent Business
CLC	Canadian Labour Congress
CMA	Canadian Manufacturers' Association
CPU	Canadian Paperworkers' Union
CSU	Canadian Seamen's Union
CUPW	Canadian Union of Postal Workers
CUPE	Canadian Union of Public Employees
CIO	Committee for Industrial Organization
CEQ	Corporation des Enseignants du Quebec
CSD	Centrale des Syndicats Démocratiques
CSN	Confederation des Syndicats Nationaux
CCF	Co-operative Commonwealth Federation
IAMAW	International Association of Machinists and Aerospace Workers
IBEW	International Brotherhood of Electrical Workers
MICSEC	Ministerial Inflation Consultations Secretariat
NPC	National Productivity Council
NUPGE	National Union of Provincial Government Employees
NDP	New Democratic Party
OECD	Organization for Economic Co-operation and Development
OPEIU	Office and Professional Employees International Union
PIC	Prices and Incomes Commission
PMO	Prime Minister's Office
PCO	Privy Council Office
PSAC	Public Service Alliance of Canada
RCIA	Retail Clerks International Union
SIU	Seafarers' International Union
SEIU	Service Employees' International Union
TFLR	Task Force on Labour Relations
TLC	Trades and Labour Congress
UAW	United Automobile, Aerospace and Agricultural Implement Workers of America International Union
UE	United Electrical, Radio and Machine Workers of America

TABLE OF CONTENTS

	<u>Page</u>
ACKNOWLEDGEMENTS	iii
ABBREVIATIONS USED	iv
 CHAPTERS	
I. THE STATE AND ORGANIZED LABOUR: THEORETICAL OVERVIEW	
1. Introduction	1
2. The Role of the State: Political Representation and State Intervention	7
3. Historical Transformations of Political Representation and State Intervention	14
4. A Methodology of Policy Analysis: Levels of Analysis and Determination	25
5. Labour-state Relations (I): The Capitalist State and Policy Formulation ..	31
6. Labour-state Relations (II): Trade Unions Under Capitalism	38
7. Summary and Outline of the Thesis	47
II. PROLOGUE: THE STATE, ORGANIZED LABOUR AND THE 'POST-WAR SETTLEMENT', 1939-1960	
1. The 'Keynesian Revolution' and the Canadian State	57
2. World War II and the formation of a Collective Bargaining System	66
3. Organized Labour as an Interest Group and Intra-Labour Tensions, 1939-1960	83
4. Conclusions	93
III. CONFLICT, CONSENSUS MECHANISMS AND INCOMES POLICIES: ORGANIZED LABOUR AND THE STATE, 1960-1975	
1. The 'Crisis in Industrial Relations'	102
2. Industrial Militancy, the Task Force on Labour Relations and the CLRC	109
3. From Keynes to Controls: Conflict, Consensus and Incomes Policies, 1960-1965	119
4. The CLC and the State, 1960-1975	150
5. Conclusions	160

TABLE OF CONTENTS (Cont'd)

	<u>Page</u>
CHAPTERS	
IV. WAGE CONTROLS AND CORPORATISM (I): CONTROLS, THE MANIFESTO AND THE DAY OF PROTEST	
1. October 1975-May 1976: From Controls to Corporatism	175
2. May 1976-October 1976: From the Manifesto to the Day of Protest	205
3. October 1976-December 1976: <u>The Way</u> Ahead and Opposition to Tripartism	222
4. Conclusions	231
V. WAGE CONTROLS AND CORPORATISM (II): TRIPARTISM IN DISREPUTE	
1. January 1977-August 1977: A Near Miss for Tripartism	243
2. August 1977-April 1978: The End of Tripartism?	271
3. Conclusions: The Conflicting Positions ...	285
VI. THE CANADIAN STATE, ORGANIZED LABOUR AND CORPORATISM: CONCLUSIONS AND OUTLOOK	
1. The Logico-historical Model and Policy Analysis	298
2. The Lessons of the Tripartism Debate	301
3. Events Since 1978 and the Prospects for Corporatism in Canada	305
APPENDICES	314
BIBLIOGRAPHY	321

Tripartism was a notion, a concept.
I see nothing wrong with it. It
got a lot of people excited, who
normally get excited about things
that are none of their damned business.

Those people in universities, who have
nothing better to do than poke their
noses into other people's business,
they're the people who really destroyed
the tripartite concept, gave it a
sinister connotation before anyone
had a chance to even try it out.

Dennis McDermott, in response to
a reporter's question, Financial
Times, 8 May 1978

CHAPTER I

THE STATE AND ORGANIZED LABOUR: THEORETICAL OVERVIEW

1. Introduction

The imposition of mandatory wage and price controls in Canada on 14 October 1975 touched off a remarkable and far-reaching series of events. Both in public and in private, and with varying degrees of enthusiasm and commitment, leaders of the Canadian Labour Congress, the business 'community' and the federal government became entangled in a protracted series of negotiations aimed at replacing controls with a measure of voluntary restraint to be formulated and administered by a tri- or multi-partite body. The negotiations failed, principally because the position of the Canadian Labour Congress (CLC) and that of the federal government did not quite overlap. The substantive focus of this thesis is these negotiations, with particular reference to two levels: first, the CLC-business-state level, at which an agreement was very nearly achieved; and second, the intra-CLC level, at which splits and fissures along several lines served to circumscribe the leadership's range of options.¹

Cast somewhat more broadly the thesis addresses the question of 'corporatism in Canada'. In a seminal article Leo Panitch (1979a) has drawn attention to several barriers which stand in the way of the institution of a corporatist political structure in Canada: the relative weakness of the

peak organizations of labour and business; the dependent nature of the Canadian economy; the balkanized structure of the Canadian state; and the poor footing achieved by social democracy in Canada (1979a: 78-85). The particular question addressed here is the barrier rooted in the nature of the CLC. Briefly put, it will be argued that the CLC's decentralized structure, while certainly a significant impediment, is not insurmountable. Indeed, it will be suggested that should attempts be made to institute corporatism in the near future (and in the absence of an incomes policy), the structure of the CLC will be important in determining the outcome, but may not prove to be an absolute hindrance.

As may be discerned from the proceeding comments, Panitch's remark that "Canada may have missed the corporatist boat" (1979a: 85) may have been premature. Certain individuals and groups in the labour movement, in the business community, and in the federal government continue to cling tenaciously to the corporatist 'solution'. In a recent speech uncannily reminiscent of speeches made by John Munro in the mid- to late seventies, the present federal Minister of Labour, Gerald Regan, has raised the issue again:

Keeping in mind the fiercely competitive international economic environment that is emerging ... you can well appreciate the need for more sophisticated consultative structures that bring the economic partners together to discuss projects and priorities, exchange information, set economic targets, and generally decide on the future direction of economic policy (Regan, 1980).

And at the recent CLC convention the executive put forward documents (CLC, 1980b) which called for, among other things, union participation in investment planning and a tripartite manpower planning policy. The only restriction placed on the CLC leadership was that participation "in public forums and in discussions at various government and industry levels on a coordinated basis should only be undertaken when it will benefit the workers...."² As well, the CLC and the Business Council on National Issues (BCNI) have recently arrived at an agreement to jointly establish a 'National Manpower Board' (CLC, 1980a).³

Speculatively, these and other related events would seem to indicate that corporatism, while perhaps not imminent, remains very much 'on the agenda'. But the strategy this time around - if recent indications can properly be termed a 'strategy' - seems more modest. For it is entirely likely that, rather than attempting to emplace a fully developed corporatist structure in one fell swoop, those concerned may be building from the ground up.⁴ That is, by following the Swedish example of concentrating on manpower planning and the involvement of the state and organized labour in the heretofore closed sphere of private investment planning, the state, the CLC, and the BCNI may be moving cautiously (not to say surreptitiously) toward the long-term establishment of corporatism. Although the twists and turns of this possible route fall outside the scope of this thesis,⁵ it will be suggested in the Conclusion (Chapter VI) that this strategy

would seem to be the most promising in light of the 1975-78 experience analyzed here.

Raising the issue of corporatism unavoidably introduces certain other questions - the relation between corporatism (qua political structure) and incomes policies, the relation between these developments and the role of the state, and the involvement of social classes and social conflict in the political economy. While it would be foolhardy to attempt to tackle these issues in any great depth in a work of this scope, they will be briefly addressed in order to approach the narrower questions arising from the events of 1975-78 on firmer ground than might be the case if broader trends were ignored altogether. Thus the thesis will attempt to locate the negotiations around wage controls and corporatism within a historical perspective, more specifically, within the context of the post-war Canadian political economy. However, the dauntingly broad sweep of issues and questions raised by the mere mention of 'the post-war political economy' will be reduced to more manageable proportions by concentrating on several key developments: economic policy, industrial relations policy, and trends within the labour movement.

To summarize then, the thesis examines the conflict and bargaining around wage controls and corporatism in Canada during 1975-78, with particular reference to the CLC-business-state level and the intra-CLC level; these events are analyzed with reference to the question of the possibility of corporatism

in Canada in light of the decentralized structure of the CLC; and the issue of corporatism and incomes policies is set within the historical context of the post-war Canadian political economy.

If, per contra the tenets of logical positivism, 'fact' and 'theory' are inseparable, then it may be seen that the empirical focus of this thesis is intertwined with its theoretical underpinnings. The theoretical perspective adopted here is the Marxist problematique, the analytical standpoint of which is that many of the features and dynamic movements of the system in which we live are indelibly imprinted with class relations. The purpose of this thesis, however, is not to extoll the virtues of Marxism (at least not explicitly), nor to defend it against its many (and sometimes vociferous) critics, but rather to employ it in order to interpret the concrete events and trends which are investigated.

Any theoretical framework can be viewed as a 'conceptual prism', Marxism not excepted; and a prism necessarily refracts the 'real world', producing a somewhat simplified and distorted image. However, without conceptual prisms social scientists would be helpless: the real world is simply too vast and complicated to be comprehended without the aid of a set of concepts with which to choose and order facts, and to provide interpretation. Marxism, then, simplifies and distorts the real world, but (it is contended here) no more or no less than any other prism. The Marxist perspective is employed here simply because the particular simplifications and distortions

which it introduces are more useful than other possible approaches.⁶

To turn now to an outline of the remainder of this chapter. In Section 2 the role of the state will be examined. It will be argued there that among several abstract conceptions of the relationship between the state and social classes the 'state as a relation' view is most useful. It will then be proposed that, viewed from this perspective, the state can be fruitfully conceived of in terms of the structure of political representation and state intervention.

In Section 3 the role of the state (ie. political representation and intervention) will be periodised. It will be suggested there that political representation and state intervention change over time, more specifically, that successive modes of representation and intervention may be identified with each of three phases of capitalism. The transformation of the state of the monopoly phase of capitalism (interest group representation/'indirect' intervention) to the state of advanced phase (corporatist representation/'direct' intervention) will be emphasized.

In Section 4 it will be argued that the broad 'tendencies' denoted in Section 3 should be thought of as 'structural', and that a method is needed to examine how these generalized tendencies can be examined in particular countries. It will be proposed that the institutional configuration of specific countries may impede or facilitate, or shape in unique ways, the tendential transformations of representation and intervention;

and further, it will be suggested that the 'outcomes' are resultants of conflict, bargaining, and compromise between and within organizations and groups.

In Sections 5 and 6 policy formulation in the state and trade union movement will be dealt with. In Section 5 the analysis of Section 2 will be extended through the use of the notions of organizational process and internal conflict. In Section 6 it will be proposed that trade union policies and activities can also be understood as resultants of internal conflict and bargaining; that this occurs within an institutional setting which is marked by a tension between oligarchical conservatism and democratic militancy; and that this results from the 'structurally contradictory existence' of trade unions (as organizations which simultaneously express interests opposed to capitalism, but are constituted within capitalism).

In Section 8 this chapter will conclude with a brief reiteration of the transformations of representation and intervention to be examined in subsequent chapters, and the method by which they will be examined in the Canadian context. In addition, an outline of the remainder of the thesis will be provided.

2. The Role of the State: Political Representation and State Intervention

In the previous section this thesis was situated as an investigation of labour-state relations in the post-war Canadian political economy, a referent which highlights the

role of the state as a central guiding thread. Before proceeding with a discussion of more concrete matters, then, it will be useful to indicate the theoretical conceptualization of the state to be adopted here. It should be emphasized that the following discussion, although fairly abstract, is important; for the conceptual view of the state underlying theories of policy formulation have a powerful, although often implicit, effect on their more substantive aspects.⁷

Nicos Poulantzas (1976) has drawn attention to three possible conceptualizations of the relationship between the state and social classes - the 'state as subject', 'state as instrument', and 'state as relation' views. The first posits the state as an autonomous entity possessing and exercising power independent of social classes. This first view is inverted in the second, in which the state is not seen as autonomous, but rather as completely dominated by this or that class; that is, the state is a 'thing', an instrument in the hands of a particular class or fraction. The third view - 'state as a relation' - takes a different course: "the state should be seen as a relation —, or more precisely as the condensate of a relation of power between struggling classes" (Ibid.: 74).

The problem with the first two perspectives, according to Poulantzas, concerns their separation of the state and social classes:

In either case (the State as Thing or as Subject), the relations State/social classes is comprehended as a relation of externality:

either the social classes subdue the State (Thing) to themselves through the interplay of 'influences' and 'pressure groups', or else the State (Subject) subdues or controls the classes. In this relation of externality, the state and the dominant classes are thus seen as two entities confronting each other, with the one possessing the power the other does not have... (Ibid.).

Viewing the state as a relation avoids these two extremes: conceived not as an entity external to society and social relations, but as the condensate of social relations, the state can be interpreted as possessing a relative autonomy. Per contra the instrumentalist view, the state is relatively autonomous from the dominant classes; and per contra the 'state as subject' view, the state is not separable from class relations.

It should be emphasized that this approach is not simply the 'middle course' between the 'state as subject' and 'state as instrument' perspectives. For this option would remain rooted in the externality relation. For example, David Kwavnick has argued that:

The essence of broker politics is mediation by government between many competing interests within the framework of a loosely defined and generally accepted concept of the public interest. Policy is decided, at least in part, by compromises between the various interests (1972: 13).

In this formulation the 'state as subject' and 'state as instrument' perspectives have been blended: the state is seen to be buffeted by outside forces, but also to possess an autonomy reflective of 'society at large'. However, this approach remains wedded to the notion that the state is

external to social classes (or 'competing interests'). (In addition, following the tenets of pluralism, Kwavnick ignores social classes per se and thus conceives of the state as the inherently 'neutral arbiter' of competing demands). Although the view adopted here sides with neither the 'state as subject' nor the 'state as instrument' perspectives, the notion that the state is external to society and social relations is discarded in favour of the position that the state should be viewed as a relation.

But what does this say about the 'role of the state'? As a relation - or, "as a constitutive element in the production and reproduction of social relations of production" (Ross, 1979: 146) - the state's principal role is to ensure the maintenance and reproduction of the social relations which constitute the social formation (ie. a particular society at a particular time) in which it exists. This principle role takes the form of maintaining the unity and cohesion of the 'power bloc' (the prevailing alliance of dominant classes and class fractions) and, concomitantly, 'winning the consent of the subordinate classes to capitalist relations of production' (Mahon, 1977).

Viewed somewhat less abstractly (or, better, bringing the abstract points to bear on material reality), the concrete apparatuses of the state are the 'locus of existence' of class relations and the class struggle. That is, class contradictions and conflicts (both between and within classes) are inscribed in the configuration of institutions which

together comprise the state; thus the state (like the class structure) is not monolithic, but rather is divided and fraught with contradictions. The implication of this - as Poulantzas has pointed out (1976: 76) and which Mahon has since developed - is that various components of the state may be said to 'represent' various classes and class fractions in the process of state policy formulation. State policy formulation can therefore be viewed as a process of compromise between the 'representative sites' within the state.⁸ Furthermore:

It is important to recognize... that all 'representatives' are not equal: the unity of the state is ultimately based on the long-term interests of the hegemonic fraction [the 'leading' fraction of the power bloc]. The inequalities as between the power bloc and the hegemonic fraction are expressed in the quality (or functions) of their respective representatives. Thus, the dominant classes and fractions which belong to the power bloc are likely to have a more 'positive' role - able to negotiate concessions which enhance the ability of those they represent to perform their leading role in the economic and social spheres. Conversely, the representatives of subordinate social forces are likely to have a more limited mandate... (Mahon, 1977: 170-71).

The usefulness of viewing the state as a relation, as the condensate of the social relations of capitalism, is now apparent: as opposed to other conceptualizations, it reveals the institutions of the state as constituted by and integrally bound up in the class struggle, thereby pointing to a way of interpreting the concrete institutions, policies, decisions and non-decisions of the state which occur in and shape particular social formations.⁹

'Representation' (more specifically representation/

mediation) is, however, only one side of the role of the state; the other is state intervention. While 'representation/mediation' refers to the manner in which the conflicting views and interests of classes and class fractions 'appear' within the various branches of the state and are combined into policy, 'intervention' refers to the form which state policy assumes, and its effects on the class struggle.

Highlighting both representation/mediation and intervention serves a dual purpose.¹⁰ First, most analyses of the state typically focus on one or the other, either concentrating on how policy is formulated (thus ignoring the effect of the policy, or assuming that it had its intended effect) or on the effect of state intervention (thus assuming that the policy was formulated in some 'rational' manner). For instance, economic policy formulation may be examined without tracing its effects on the class struggle or the structure of the state itself; or, economic intervention may be examined on the assumption that the state somehow rationally reflects the 'public consensus' or that it has been 'captured' by monopoly capital. It is here suggested that, not only are political representation and state intervention equally important, but that they are highly interrelated. The form of political representation (ie. the way in which the class struggle 'appears' in the state) will clearly affect the general nature of state intervention and the particular policies to emerge from the state; equally, the effect of state policy will 'feed back' and affect the class struggle

and hence the structure of representation and policy formulation. Thus the separation of representation and intervention is useful in highlighting their reciprocal relation.

The second purpose stems from the need to distinguish between different modes of representation and modes of intervention over time. Although it will be argued that there is a correspondence between particular modes of representation and intervention, these do not rest side by side in perfect, simultaneous correlation. Instead, for example, a particular mode of intervention may emerge before the structure of representation has been transformed into a new mode. Thus drawing a distinction between (and emphasizing equally) representation and intervention is useful in historically categorizing the role and nature of the state.

In sum then, the role of the state, it is suggested here, may be fruitfully conceived of in terms of its structure of political representation and form of intervention. It is through these processes that the state plays its principal role - the maintenance and reproduction of the social relations which constitute capitalism. But the state is not a static 'thing' (either subject or instrument), but rather a condensate of class contradictions and struggles: the dynamic of the class struggle is reflected in the state. And it is therefore possible to historically periodise the role of the state (ie. periodise representation and intervention), a task which the following section undertakes.

3. Historical Transformations of Political Representation and State Intervention

As noted in Section 2, one of the critical bases of this thesis is that it is possible to discern different 'phases' of political representation and state intervention, that is, the emergence over time of a succession of modes of representation and intervention. In this section a brief overview of these changes will be advanced, and in subsequent chapters the development of labour-state relations in the Canadian social formation will be analyzed in the context of these broad movements. However, it is first necessary to specify the theoretical basis of 'periodisation'.

Fine and Harris have argued that periodisation of capitalism (ie. of the capitalist mode of production) is only justifiable on the grounds that the laws of the mode of production give rise to distinct stages:

... unless we can show that the laws of the mode of production give rise to distinct stages rather than to continuous trends we can have no justification for periodising a social formation's history into stages at all. If asked why we say that British society is at the stage of state monopoly capitalism all we could do would be to say that Britain's concrete history shows distinct differences in different periods: but then we may as well distinguish the periods by the name of the reigning monarch (Victorian England) or the newest form of transport (the 'railway age') as is done in bourgeois textbooks, without reference to the Marxist concept of capital (Fine and Harris, 1979: 105).

In arguing their point of view Fine and Harris attempt to distinguish it from the method employed by Poulantzas, who has argued that:

... periodisation ... is applied at the level of the social formations, ie. the forms of existence of a mode of production, in this case the capitalist: it does not derive from the supposed 'tendencies' of the mode of production itself, this being simply an abstract object. It is only social formations that can be periodised, since it is in them that the class struggle is enacted ... (1978a: 48).

Fine and Harris' point - that periodisation on an ad hoc basis is not particularly helpful - is well taken; however, their critique of Poulantzas is not well founded. Poulantzas is not arguing that periodisation can only be ad hoc; rather, he is arguing that the mode of production, qua concept, can never 'give rise' to a stage; only the class struggle in particular social formations can bring about the alterations in the relations of production which delimit a phase or stage. To be sure, phases can be analyzed at the level of abstraction of the mode of production (ie. as changes in the relations of production), but this does not mean that the mode of production somehow automatically 'produces' phases.

Thus the periodisation employed here is based on the view that, although the criteria used to delimit phases mark decisive, qualitative shifts in social relations (indeed, Fine and Harris' analysis of these differences will be relied upon), the phases are nonetheless the product of class conflict in social formations; they are not determined directly 'from above'. This method may be termed 'logico-historical',¹¹ for two reasons: first, and most obviously, because it marks off phases of history; second, because it abstracts from the specific developments in individual social formations. That is,

the logico-historical method generalizes the broad tendencies and transformations which have attended the development of most capitalist social formations into a logical 'model'.

The capitalist mode of production can be periodized into three broad phases: 'competitive' capitalism, 'monopoly' capitalism, and 'advanced' capitalism.¹² Although the theoretical basis of this periodisation is certainly important, the role of the state associated with each phase is of more central concern in this thesis; thus the three-fold periodisation will be assumed, and the following discussion will concentrate on the modes of political representation and state intervention which characterize each phase. It should also be noted that, although the discussion will be fairly general, economic policy, industrial relations policy and the political representation of the working class - as integral aspects of labour-state relations - will be stressed.

In the competitive phase the state's general policy role can be termed 'non-interventionist'. It must be immediately emphasized, however, that the term 'non-interventionism' is only employed to distinguish the relative absence of state activity in this period. Thus in the competitive stage the state plays a crucial role in the establishment and maintenance of the legal and political framework upon which capitalist social relations of production are predicated. State economic policy is nevertheless usually restricted to allowing the economy to 'find its own course' - the celebrated 'laissez-faire' stance.¹³ The boom-bust cycles of this period are

therefore allowed to occur without substantial economic counteraction (however, temporary forms of social relief may be employed to stave off social unrest).¹⁴

In industrial relations the state's role in the competitive phase is broadly similar to its economic policies. That is, the state's role is typically relegated to protecting the conditions of capital's domination through the maintenance of the legal rights of property upon which this rests. Intervention in industrial disputes (sometimes formal, but more often informal) occurs on an ad hoc basis, and the use of the military is not infrequent. Union and working class pressures are sometimes successful in abolishing negative sanctions (such as anti-combines laws in Britain and Canada) and in forcing some social legislation (factory inspection, child labour laws, etc.); but the point is that unions only exist to the extent that they are powerful enough to resist capital's often fervent opposition; and the state will rarely encourage or protect union organizations and collective bargaining.¹⁵ Political representation in the competitive phase is typically achieved through parliaments and political parties - once popular pressure has achieved suffrage; and state decision-making occurs largely in the legislative-executive nexus. Thus unions, for example, are largely represented through their participation in electoral politics (through the medium of social democratic parties) or through legislative coalitions representing the 'labour interest'.¹⁶ It is important to see that this mode of representation is logically complementary to the dominant

mode of state intervention (ie. non-interventionism), in the sense that the legislative mode of representation and the limited scope and capability of the legislative/executive decision- and policy-making structure is functionally suited to the relatively minor role of the state.

In the monopoly phase a different mode of state intervention tends to arise alongside a new mode of political representation. State intervention in this phase, which may be termed 'indirect', is best exemplified by the rise of Keynesianism in the sphere of economic policy, and the emergence of the 'welfare state'.¹⁷ Kay and Mott have pointed out that, under Keynesianism "the market was to be left largely unencumbered by direct interference from the state which was merely to administer its conditions through the manipulation of money and fiscal policy" (1980: 19, emphasis added). And with Keynesianism came the oft-noted goals of post-war state economic policy: full employment, economic growth, price stability and stability of international payment balances.

The role of the state in industrial relations likewise underwent a transformation during this period: from merely allowing unions to exist, the state switched to a policy of promoting and participating in collective bargaining and, in some cases, playing a role in actively constituting trade unions (through certification procedures such as were developed in Canada and the United States). The relationship between the explicit construction of an 'industrial relations system' and the emergence of Keynesianism is important. Keynesian

theory - in addition to several other breaks with orthodoxy - took unionism into account and thus predicated its policy prescriptions on, among other factors, the downward inflexibility of wages:

it is through the problem of the downward inflexibility of money-wages that Keynes directly confronted the political dilemma of the day. The reason why money-wages would not fall as required, was organized trade union resistance, and Keynes' most important rupture from classical economics was his insistence that this be taken as a structural feature of capitalism and not treated as a mere market imperfection. Thus he rested The General Theory on two realistic political premises: 1) collective working class subjectivity was established fact; and 2) any attempts to override it, particularly with respect to money-wages, would threaten the fabric of liberal democracy ... (Kay and Mott, 1980: 15).

The above quote draws attention to a particularly important feature of the process by which modes of representation and intervention are transformed: the state's role shifts because of political and economic struggles, not because of some preordained, teleological progression. Indeed, the differential extent and rate of the establishment of this 'post-war settlement' (ie. the Keynesian 'commitment' to full employment, the entrenchment of collective bargaining, and the emergence of the 'welfare state') in various social formations illustrates this quite well.

Corresponding to the emergence of the indirect mode of state intervention was the emergence of a new mode of political representation - pluralist interest group representation - which was aligned with the equally new structure of state

policy-making centred in the executive-bureaucratic nexus. Interest group representation did not, of course, displace parliamentary representation, but rather supplemented the latter; and the role of the legislature in decision-making was certainly not destroyed. But in relative terms, the importance of parliament declined in the face of the growth of the bureaucracy (necessitated by the increased scope and complexity of policy formulation); and interest group representation, being linked to the executive-bureaucratic nexus, supplemented representation through political parties.

However, just as the state's role in the competitive phase gave rise to problems which resulted in political resistance on the part of the working class to a return to unemployment and the uncertainty of the cycle of boom-bust, the post-war settlement generated its own problems:

The economic consequences of the post-war settlement were focused principally around problems of competitiveness in foreign trade. Trade liberalization, (relatively) fixed exchange rates, international payments deficit financing and high demand levels corresponding to high employment brought about an even more rapid expansion of trade flows than of domestic products after 1945. They thereby caused the principal economic contradictions between capitalist countries to take the form of balance of payments crises and increasingly divergent shifts in the pattern of economic power associated with trade performance. These inter-state contradictions of imperialism have been firmly linked to the basic internal economic contradictions of the capitalist economies by the dependence, given growth in productivity, of trade competitiveness upon relative rates of rise of money wages. In turn, the same high employment which tended to focus inter-capitalist contradictions around trade problems, strengthened the power of trade unions to raise money wages (Warren, 1972: 4).

Keynesianism, while contributing to these problems, could not resolve them, as it is incapable of dealing with structural problems (Jessop, 1978b); thus the response took the form of a new mode of state intervention which, to distinguish it from previous modes, may be termed 'direct'. In the economic sphere, Warren has identified the direct mode of intervention as 'planning', involving:

1. A full employment economy, with disruptions of activity involving unemployment or balance of payments crises regulated or reduced to a minimum.
2. Long- or medium-term formalized and institutionalized planning incorporating the close co-ordination of government expenditures with those of the larger private firms plus various controls, including wage policy, over private consumption. This planning aims not only at influencing the overall growth rate of the economy, but also at bringing about structural changes in sectoral and regional priorities and specific social expenditures to strengthen the civic fabric of capitalism.
3. International monetary, trade and other types of co-ordination of the principal capitalist economies.
4. The institutionalized integration of a bureaucratic trade-union movement into the planning process, in exchange for limited, but continuous economic and other gains for the working class - provided all independence of the movement is surrendered except over minor matters (Warren, 1972: 7-8).¹⁸

Several points should be emphasized.¹⁹ First, incomes policies are central to this new policy agenda, and can be seen to be attendant upon the economic strength of the working class, that is, on wage militancy. Although other policies play an important role (eg.. industrial adjustment policies, manpower planning, technological programmes, etc.), incomes policies

will be of central concern in this thesis. Second, it should be noted that it is the failure of Keynesianism to resolve the employment/inflation 'trade off' which precipitates the need for incomes policy. And third, Warren's last point - the integration of the organized working class into the state - can be interpreted as an alteration of the mode of political representation.

That is, corresponding to the emergence of the direct mode of state intervention, there has emerged a new mode of political representation - corporatism - which has been defined as:

a political structure within advanced capitalism which integrates organized socioeconomic producer groups through a system of representation and cooperative mutual interaction at the leadership level and mobilization and social control at the mass level (Panitch, 1979a: 44).

The reason why corporatism is formally complementary to direct intervention is due to the fact that most forms of direct intervention, and especially incomes policies, generally are based on the participation and cooperation of capital and the working class.²⁰ It should be stressed that corporatism does not bring about equal representation in state policy formulation; for, in order to gain admittance to this structure, trade unions must accept the basic structure of society (which is usually implied in their acceptance of incomes policies). Moreover, corporatism does not displace parliamentarism and interest group representation, but rather, supplements them in many issue-areas, and certainly dominates (ideally) in macro-economic policy formulation.

As has been stressed repeatedly, new modes of political representation do not emerge smoothly, nor necessarily simultaneously to the emergence of new modes of state intervention. Corporatism, qua structure of political representation, is produced (if and when it is) by the class struggle within a historically unique social formation; so although the problems which create the 'need' for corporatism may appear in a particular social formation, it does not necessarily follow that corporatism will therefore be developed. This raises the question of the conditions under which corporatism becomes 'desirable' or 'necessary', and the equally critical question of the conditions under which corporatism becomes possible.

Panitch has drawn attention to three variables which account for "the timing and the extent of the institutionalization of corporatist structures in bourgeois democratic societies: the economic strength of the union movement and its degree of centralization; the political influence of social democracy in both the labour movement and the state; and relatedly, the extent to which policies of full employment and wage restraint are central elements in the general economic policy framework of the state, (1979b: 23-24). In this formulation the conditions which prompt corporatism and those which make corporatism possible are intertwined; thus, the economic strength of the union movement and the state's commitment to full employment and wage restraint (which is characteristic of social democratic governments in that they 1) rely on the working class for

political support and 2) are relatively more ideologically disposed to state intervention) are conditions which make the integration of the working class into the state 'desireable'; and the centralization of the trade union movement and the social democratic orientation of unions and the state, are among the most important factors making corporatism possible.²¹

As the intent of this thesis is to examine the 'tendencies' toward the emergence of corporatism in Canada, the above-mentioned features of the expanding corpus of theoretical treatments of corporatism are of central importance. Later chapters will examine the events which seemed to indicate that corporatism was on the policy agenda of the Canadian state during the mid-seventies, and will detail the problems which arose from the nature and structure of organized labour in Canada, the role and nature of the state, and the characteristics of contemporary labour-state relations.

This section has sketched a general outline of the succession of modes of political representation and state intervention which have characterized the development of the capitalist state. However, the model is explicitly general (from which flows its strengths and weaknesses), and it is therefore necessary to elaborate a method of examining particular social formations whose development, although corresponding generally to the model, is unique and indeterminate. It is to this task that the following three sections are directed.

4. A Methodology of Policy Analysis: Levels of Analysis and Determination

In the two preceding sections the basic elements of the analytical framework to be employed in this thesis have been outlined. Briefly, the view of the capitalist state as 'structurally biased' has been elaborated, it has been proposed that the state's role can be usefully conceptualized in terms of political representation and state intervention, and a logico-historical overview of the development of the capitalist state has been presented. However, the approach thus far has been extremely general, providing few clues about how to analyze concrete, day-to-day labour-state relations. The purpose of this section is to propose that policy formulation can be viewed on three analytical levels, and that the explanatory factors associated with each level are interactive rather than autonomous. In Sections 5 and 6 this formulation is then applied to the state and trade unions respectively, in order to construct a set of tools which can shed some light on the policies and activities of these organizations.

Robert Alford (1975) has outlined three paradigms of relations between state and society:

The class, elite, and pluralist paradigms identify societal, organizational, and situational contexts of action respectively. The pluralist paradigm focuses on the conditions of mobilization of particular groups and individuals for political action and upon the strategies of influence and the outcomes of action in particular situations.... The elite paradigm focuses on the stable coalitions of resources in organizations manned by elites and emphasizes the limited range of possible decisions within the organizational parameters.... The class

paradigm focuses upon the basic institutions of property and the objective class relations arising from those institutions (1975: 150).

These 'contexts' may also be seen as levels: the class paradigm highlights the 'structural' level, the elite paradigm the 'institutional', and the pluralist paradigm the 'situational'. Alford then argues that the paradigms can (and should) be combined; however he stresses that this may be accomplished by constructing either an 'additive' or an 'interactive' model.

The additive model presupposes that the levels (or contexts) "are not perfectly correlated with each other" in that "an important element of contingency of 'slippage' exists between these levels, each of which is causally important and cannot be reduced to the others" (1975: 151-52). Because the additive model is built on the assumption that "each level of 'structure' sets limits upon the other levels, but does not completely determine structures within them", the different paradigms appear to have a degree of independent analytical potential:

... a pluralist paradigm is a powerful tool for analyzing the situational context of action and the conditions of mobilization of individuals and groups to influence particular political decisions within a framework of a cultural consensus. The elite paradigm provides a means for understanding the structures of power of complex organizations constituting the state and their bargains, exchanges of resources, personnel, and impact on general policies that set the parameters for particular decisions. The class paradigm enables us to understand the limits of policy formation and of the state structure within the class relations of a given society. (1975: 53).

The interactive model, by contrast, is based on the hypothesis that there is no significant degree of independence between the three levels of analysis. While the additive model supposes that each level can be analyzed in relative isolation, the interactive model specifies a 'determining' level: "... an interaction model can be specified starting from any of the paradigms. For instance within the class paradigm the internal relations within the organizations change as the class structure changes, and the political situations become fundamentally different if both the elite/organizational structures and the class structures change" (1975: 154, emphasis added).

Alford's formulation, however, must in one respect be qualified. The distinction between the structural, institutional and situational levels is valuable and will be used here. But when the structural level (or class paradigm) is chosen as the 'starting point' (as it is here), the implication is that class relations somehow determine the outcomes of organizational and situational struggles. To see the problem with this approach it would be helpful to refer to Poulantzas' distinction between 'mode of production' and social formation.²²

The capitalist mode of production (from whence Alford's 'class relations' derive) is a theoretical construct, not an existing entity. Its analytical value lies in the isolation of the crucial relations upon which capitalist society rests, and in the determination of the conditions under

which the reproduction of the capitalist mode of production occurs. The class struggle actually occurs in unique social formations, that is, in particular societies; and it is important to grasp that a social formation, being 'real' and therefore less abstract than a mode of production, is not simply a 'materialized' mode of production. Rather, while social formations will be characterized by the dominance of a particular mode of production, other modes will also appear (ie. previously dominant modes which persist in a subordinate relation); because of the existence of other modes, and due to the particular contours of the development of capitalism in a particular formation, classes other than the working class and the bourgeoisie will exist (eg. the 'old' and 'new' petty bourgeoisie); and finally, classes are not monolithic, undifferentiated blocs - rather, different groupings within classes (fractions, strata, etc.) and across classes (social categories, such as state employees) can be important.

Although the mode of production, then, is a higher level of abstraction than social formation, the latter is not deductible from the former: "Social formations ... are not the simple concretization or extension of modes and forms of production existing in their 'pure' form; they are not produced by the latter being simply 'stacked together' in space" (Poulantzas, 1978a: 23). The mode of production can be considered the structural context in which social formations exist; analysis of a particular mode of production is oriented

toward discovering its 'laws of motion' - the conditions under which it is maintained and reproduced. But the social formation is the 'concrete':

The social formation in which the class struggle is enacted are the sites of existence and re-production of the modes and forms of production. A mode of production does not reproduce itself, or even exist in a pure state.... It is the class struggle in the social formations which is the motor of history; the process of history has these formations as its locus of existence (Poulantzas, 1978a: 23).

Recognizing, then, that the mode of production itself does not determine outcomes, Alford's interactive model may be reformulated as follows: the factors, patterns and tendencies highlighted by abstracting to the mode of production may be considered as setting the structural context in which organizational and situational struggles occur. Thus, structural 'pushes' or 'tendencies' may be identified, but: 1) these are produced due to struggles within particular social formations and 2) their 'outcome' will be either impeded or facilitated by the historical configuration of the social formation; and, moreover, the outcome will be shaped by the situational pattern of alliances and strategies. This is not to say that the situational and institutional levels are independent from the structural level (as in the additive model); but rather that Alford's unidirectional notion of causality (structure-institutions-situations) should be replaced with a recognition of their mutual interaction.

It is now necessary to clarify what aspects of these levels will be stressed. At the structural level, capitalist

social relations of production and the 'structurally biased' state will be emphasized (as in Section 2, above). At the institutional level Graham Allison's (1971) insights into organizational processes and procedures will be employed where appropriate.²³ For example, in addressing the question of the transformation of Canadian industrial relations policy during World War II, it will be shown that this shift was 'realized' in terms of organizational procedures and methods, and in the realignment of the state apparatuses. In some cases the creation of organizations is also important, as in the case of the institutions created (or proposed) to integrate trade unions into the state policy-making system, or in the case of amalgamations and mergers in the trade union movement.

At the situational level the concept of 'political resultant' (Allison, 1972: 162; Mahon, 1977) will be stressed. As Kim Nossal has argued, "policy outcomes are determined not by the rational choice of policy alternatives to which motives and intentions of a unitary actor ('cabinet') can be attached, but by a process of bargaining and compromise at both the bureaucratic and ministerial levels" (1979: 616). While Allison, for example, tends to stress individual conflict in this process of compromise, the approach to be used here will concentrate on the conflict, strategies, bargaining and compromises between groups and organizations (and sometimes individuals as representative of particular groups).²⁴ For example, within trade unions, two broad dimensions of conflict

will be stressed: that between leadership groups and that between the leadership in general and the union membership (see Section 6).

To recapitulate: the policies and activities of the trade union movement and the state will be viewed as a process involving conflict, bargaining and compromise between organizations in which are embedded the structural relations of capitalist society. The following two sections will examine several more specific characteristics of the state and the labour movement from this perspective.

5. Labour-state Relations (I): The Capitalist State and Policy Formulation

In this section the basic, abstract view of the capitalist state touched upon in Section 2 will be linked to the institutional and situational levels of analysis outlined in the previous section. The aim here is not to develop a full-blown, intricately detailed theory of policy formulation, but rather to develop tools sufficient for the purpose of analyzing the particular policies and activities investigated in subsequent chapters. As well, as the purpose of this chapter is to develop a framework for interpreting labour-state relations, the section will concentrate on economic policy, industrial relations policy, and the political representation of organized labour.²⁵

In Section 2 it was suggested that the state is 'structurally biased' and that this structural bias operates through an 'unequal structure of representation', through which

policy compromises are 'arranged'. This can be considered the structural context of policy formulation. But the policy process is not a magical, functionally static process; instead, policies are formulated and actions are undertaken by organizations peopled with individuals. Thus it is necessary to ask: How do various state apparatuses 'represent' particular class interests? Why is it that those apparatuses which represent the dominant classes possess greater power relative to those which represent the subordinate classes? (ie. why is the structure of representation unequal?) And, in what sense are policies 'arranged'? The answers to these questions will be sought by focusing attention on the institutional and situational levels of analysis.

The organizations which comprise the state are 'stamped' with the class struggle through their jurisdictions, policies, procedures and routines; and it is through these features of organizations that class interests are represented. Economic policy may be employed as an example: economic policy is institutionally oriented toward the maintenance and reproduction of capitalism, of capitalist social relations of production. This orientation, moreover, is embedded in the organizational procedures and routines which characterize the economic policy apparatuses, in the assumptions about the economy which underlie the fiscal, monetary and other tools of economic management. The oft-cited goals of economic policy (full employment, growth, price stability, etc.) and procedures and routines which are in

place to attain them, are suffused with the class struggle, with capitalist relations of production. It is in this sense that Finance Departments and national banking institutions 'represent' the interests of the bourgeoisie; that is, because these state organizations are charged with the 'nation's economic health'.²⁶

When industrial relations policy is considered, it can be seen how the working class is represented in the state.²⁷ The state organizations which represent the working class do so not because union leaders have access to them (the reverse in fact is true) but because they are charged with industrial relations. Departments of Labour, for example, represent the interests of the working class because their tasks and activities are oriented toward securing the conditions, and establishing the constraints, under which trade unions can exercise their collective strength. It is through the processes of certification, conciliation, grievance, arbitration and other similar procedures that the state institutions charged with industrial relations represent the interests of the working class. In the case of working class representation, however, the process is double-edged: industrial relations departments and agencies are not directly promoting the interests of the working class, but 'industrial peace', which is an aspect of economic policy. The pursuit of industrial peace constitutes a compromise: on the one hand, capital concedes the rights of unions to collective bargaining and state-enforced arbitration

procedures in return for a heightened regularity of production and limits on the right to strike; on the other hand, trade unions concede their autonomy over the determination of organizational parameters, their flexibility, and some of their power to disrupt production (along with any notion of profoundly changing the system) in return for a state-sanctioned right to exist! To return to the main point, state organizations which represent the working class do so through their responsibility for securing 'industrial peace', a task embedded in the various organizational procedures and routines (certification, dispute settlement, etc.) which are the essence of the organization.

The class struggle and relations of class power are therefore reflected in the institutionalized procedures and processes of the state; representation is thus not primarily a matter of elite interaction or lobbying, but rather a correspondence between class interests and organizational tasks and procedures; and the configuration of the organizational network is set within the context of class relations of production and the structural orientation of the state, which is materialized in the structure of representation.

To turn, then, to the second question: granted that particular apparatuses 'represent' more or less identifiable class interests, why is it that those branches or units representing the hegemonic fraction in particular, and the dominant classes in general, have greater power relative to those representing the subordinate classes? In Section 2 it

was suggested that this stemmed from the structural characteristics of the state-society relation; however, this is too general an answer to be of much methodological value. Thus it is necessary to pose the question more concretely, that is, in terms of the structure of power between various organizations.

The strength of particular branches of the state stems from the importance of their role vis-à-vis the overall role of the state - the organization and protection of the long-term political interests of the hegemonic fraction. Thus, those branches with prime responsibility over the areas connected with this task will be relatively more influential (ie. the state economic apparatuses). Put in systemic terms, the critical importance of 'managing the economy' to ensure the reproduction of capitalist social relations of production, places these organizations in a position of necessary functional dominance. Now, this formulation is overly rigid, so it is necessary to emphasize two further aspects of this unequal structure. First, the state's relative autonomy means that it is able to distance itself from the short term, narrowly economic-corporate interests of particular capitalists, so that the policies organize the long-term interests of the bourgeoisie and are couched in terms of the 'national interest'. Second, the fact that power is uneven does not mean that it is unilateral. The interests of the subordinate classes, as represented by particular apparatuses, do exercise an influence on policy formulation, but to a lesser extent (overall) than do

the interests of the dominant classes. And the precise balance of power between state organizations will be determined by the strength of particular classes at specific conjunctures; that is, the process, being traversed by the class struggle, is dynamic.

Policies are therefore 'arranged' in this unequal structure of representation. But how? How, that is, is the dominance of the 'seat of power' of the hegemonic fraction achieved in a dynamic social formation? For the answer to this it will be useful to turn to the situational level of analysis - to the notion of policies as 'political resultants'. As Allison has noted:

... the decisions and actions of governments are intranational political resultants: resultants in the sense that what happens is not chosen as a solution to a problem but rather results from compromise, conflict and confusion of officials with diverse interests and unequal influence; political in the sense that the activity from which decisions and actions emerge is best characterized as bargaining along regularized channels among individual members of the government (162).

It is within this complicated and sometimes contradictory process of internal 'pulling and hauling' that policy emerges. It is thus important to see that actual policies are unintended, not rationally designed or logically consistent. Moreover, viewed from this perspective, policy compromises are 'arranged' as compromises between organizations, strata and individuals in the state, and not as compromises directly between classes.

As for how the representative sites of the dominant classes are able to exercise a preponderant influence, it is useful to focus on such factors as the control of the bargaining channels along which policies travel, the general evaluative role of certain branches, inter-agency coordination process, cabinet committee structures, and personal influence. Thus it is possible to grasp the strength of the economic policy apparatuses in terms of their strategic position within the state.

To sum up, it will be useful to emphasize how the different levels of analysis are related in an interactive fashion. Proceeding, so to speak, from the bottom up, situational factors such as the distribution of power and the configuration of action channels draw attention to the fact that policies are resultants of a process of internal conflict, bargaining and compromise between the individuals and organizations which comprise the state. This situational process is shaped and limited by the configuration of institutions which form an unequal structure of representation; while there is considerable 'play' at the situational level, it is contained by the array of institutionalized processes and procedures which reflect the contradictions and conflict which characterize the class struggle. And, finally, the array of organizational factors are constrained by the structural relation between state and society, that is, the overall context of policy formulation is the structurally biased state.

6. Labour-state Relations (II): Trade Unions Under Capitalism

To this point in the chapter much has been said about the state and relatively little about trade unions. However, in order to deal with labour-state relations in its full complexity, it is necessary to elaborate briefly the conceptualization of trade unions to be employed in this thesis. It should be noted that, as was the case with the discussion of the state, the intention is not to develop an intricate 'theory of unionism', but rather to develop tools sufficient for analyzing those trade union policies and activities which bear upon labour-state relations (ie. collective bargaining and the labour process will not be of directly central importance).

The purpose of this section, then, is to develop a method of analyzing the policies and activities of trade unions in capitalist society, a task which will be approached in the same general manner as was the analysis of the state - in terms of the structural, institutional and situational 'levels'. While this method may prove useful, it would be wrong to attempt to draw complete and absolute parallels between the state and organized labour, for while trade union movements can be seen as configurations of institutions in which internal conflict, bargaining and compromise produce 'resultants', the structural context in which trade unions operate is partially defined by the state. Thus it is necessary to outline several key characteristics of the structural context before turning to the more fine-grained levels of analysis.

At the level of 'structure', it is necessary to draw attention to two points. First, as collective organizations of the working class, trade unions express the class struggle. Richard Hyman has succinctly summarized the Marxist view of the *raison d'être* of trade unions:

Capitalist social relations of production reflect and reproduce a structured antagonism of interests between capital and labour. At the same time, capitalism itself organizes workers collectively ... and hence generates a basis for collective worker resistance to capital and to the priorities of the capitalist mode of production ... for Marxist analysis, the fact of collective struggle requires no further explanation (1979: 93).

Second, while trade unions fulfill a crucial role in organizing and defending the interests of the working class, the fact that unions exist within capitalism gives rise to a structural contradiction:

... trade unions are dialectically both in opposition to capitalism and a component of it. For they both resist the given unequal distribution of income ... and ratify the principle of an unequal distribution by their very existence (Anderson: 334).

That is, the very existence of trade unions implies, on the one hand, opposition to the prevailing structure of class society (expressed in wage demands, job control issues, etc.); but on the other hand, that opposition is expressed through organizations which are constituted and shaped by the very structure to which they stand opposed. As Perry Anderson has pointed out: "As institutions, trade unions do not challenge the existence of society based on a division of

classes, they merely express it (334).

It will be proposed below that this structural contradiction produces conflicting processes and tensions at the institutional and situational levels; however it will be useful here to stress that this viewpoint avoids both of two common Marxist approaches to trade unions. In the one case it has been common to stress the fact that trade unions are part of capitalist society. Thus Poulantzas, for example, actually considers ('reformist') trade unions to be a component of the state apparatus (1972: 251). Lenin also emphasized this 'half' of the contradiction in his (in)famous 'integration thesis', which was built on the notion that "... the working class, exclusively by its own effort, is able to develop only trade union consciousness, ie. the conviction that it is necessary to combine in unions, fight the employers, and strive to compel the government to pass necessary labour legislation" (64). On the opposite end of the extreme may be ranged those who see the trade unions and their major weapon, strikes, as the form of revolutionary class struggle - as in the position taken by 'anarchosyndicalists' and, more recently, the operaists of Italy.

Both of these positions are too one-sided in emphasizing one side of the contradiction to the exclusion of the other; thus to avoid this it is necessary to continually bear in mind that the structural essence of trade unions is permeated by the contradictory location of unions as organizations representing

interests opposed to capitalism, but constituted within capitalism.

It is now necessary to examine how the institutional and situational aspects of trade unions reflect this structural contradiction, and thus to develop a way of analyzing trade union policies and activities vis-à-vis the state. It will be useful to cast the analysis in terms of several important (although, not unassailable) insights derived from the classic study of organizations by Robert Michels.²⁸

Michels' analysis encompasses both the institutional and situational levels of analysis: at the institutional level he focuses on the 'technical and administrative' factors shaping political parties and trade unions and their activities; and at the situational level he focuses on the particular interests which lie behind leadership behavior and their control of union organizations. (Of course Michels does not present these factors in this way; but the analytical distinction used here is valid as in both Michels' formulation and the rendering of it here, the factors are interrelated).

At the institutional level Michels focuses on the 'technical necessity' of organization: trade unions, qua organizations, must be hierarchically structured (must possess a division of labour) in order to provide coherence; but a hierarchy, in itself, necessarily subverts 'ideal democracy' through the rationalization of tasks, the necessity to formulate bureaucratic decision rules (as opposed, say, to day-to-day

control by the rank-and-file), and the delegation of policy-making to the senior officers. Thus the 'iron law of oligarchy' is principally founded on "the technical indispensability of leadership" (364).

A 'conservative basis of organizations' flows from the interests of the leadership and the trade union bureaucracy in the protection and enhancement of the organization; in Michels' famous aphorism, "... from a means, organization becomes an end" (330). What is important here is that the protection and enhancement of the organization involves 'conservatism', due to the need for broad appeal (to maintain and increase membership) and, more importantly, due to the fact that unions and political parties 'owe their existence to the State' (336). Thus any strategy or tactic which lies outside the bounds of state-defined legitimacy ("everything which might irritate the state to excess" (336)) is eschewed. This line of reasoning leads to the conclusion that (with maturity) trade unions, qua bureaucracies, become moribund and lose any sort of revolutionary aim; the ultimate goal of the working class becomes subverted and contained with the preservation of the organization, which, being tied to the capitalist system, involves accepting that system (accepting, that is, through its procedures and routines, since the public pronouncements of union leaders may, for internal reasons, still reflect a 'radical' stance).

Michels' analysis, as far as it goes, is largely correct; however it focuses almost exclusively on the fact that trade union organizations exist within capitalism, and ignores the inescapable fact that unions - as collective organizations of the working class - stand opposed to capitalism. To be sure, the tendency toward (relative) conservatism at the organizational level is powerful; but it is not, nor can it be, absolute. As Hyman and Fryer have pointed out:

The problematics of institutional security and survival, important in any organization, are particularly salient within trade unionism: for unions by their very nature represent a challenge to the structure of power within the political economy of capitalism. Their purely economic objectives conflict with the capitalist's desire to minimize costs of production; their involvement in a struggle for control challenges his managerial autonomy; while any connection between trade unionism and socialist politics is a potential threat to his very existence. The more ambitious and extensive a union's objectives, the more it is likely to attract the hostility of those in positions of economic and social dominance (Hyman and Fryer, 1977: 158).

Trade unions, while inextricably linked to capital and the state, cannot be totally 'integrated'. At the institutional level it may be suggested, then, that the structural contradiction of trade unionism is reflected in a tension between 'organizational security' and unions as an 'oppositional force'. In their relations with the state, this tension is reflected in union movements' organizational processes; that is, in the specific forms of channels and methods by which influence is sought. Thus, revolutionary politics and mass action are

usually achieved in favour of participation through the means offered by the dominant mode of representation - through social democratic parties, as an interest group, through informal relations with the executive-bureaucratic nexus, and through corporatist structures. But, despite the fact that these 'legitimate' channels are adopted, the interests which are pursued through them (no matter how legitimately or 'conservatively' phrased) remain opposed to the dominant interests of the bourgeoisie as reflected in the structurally biased state. Although unions are 'listened to' and manage to win concessions on occasion, working class interests remain underrepresented precisely because they are represented in a 'responsible' fashion.

The preceding considered unions as organizations, however Michels' iron law of oligarchy not only points to organizational conservatism, but also to the internal dynamics of union decision- and policy-making, that is to say, to the situational level of analysis. Insofar as Michels considers the tensions and conflicts within unions, his analysis is insightful, for at the situational level of analysis it is precisely these factors which help illuminate the process of union policy formulation.

Two dimensions of internal conflict will be considered here - that between the leaders and the membership, and that between leadership groups. On the leader/members dimension Michels focuses on two sets of factors: the 'psychological'

reasons behind leadership; and the ability of leaders, through their positions, to control organizations. As to the first, Michels is nothing but blunt:

Though it grumbles occasionally, the majority is really delighted to find persons who will take the trouble to look after its affairs. In the mass ... there is an immense need for direction and guidance (88).

The incompetence of the masses is almost universal throughout the domains of political life, and this constitutes the most solid foundation of the power of leaders. The incompetence furnishes the leaders with a practical and to some extent moral justification.

In addition to these psychological bases of leadership, is the positional advantage of leaders - their control over communication channels, their access to financial resources, their training and expertise, and their day-to-day policy-making role.

But Michels sees in these factors an abnegation of responsibility over union affairs by the rank-and-file, a position which overstates an otherwise interesting case. The rank-and-file is not the stupid, disinterested mass that Michels paints; while it is true that participation in union affairs does not come close to the ideal, the rank-and-file, by their satisfaction or dissatisfaction, by their acquiescence or revolt, by their adherence to official policy or their spontaneous actions, indeed by their very existence, form a real presence in unions. And the conflicts which may emerge at particular conjunctures, and the anticipation of membership

reaction by leaders at all times, constrains the supposedly isolated leadership. On the leadership/membership dimension, conflict and compromise are present; thus union policies are resultants, not rationally formed plans of the leadership.²⁹

But union policies and activities are resultants in another sense as well - in the sense of conflict between leadership groups. Although citing various factors which may cause intra-leadership conflict, Michels settles on two:

Above all there are objective differences and differences of principle in general philosophical views, or at least in the mode in which the proximate social evolution is conceived; and consequent divergences of opinion as to the most desirable consequences: this leads to the manifestation of the various tendencies known as reformist and Marxist, syndicalist and political socialist, and so on. In the second place, we have the struggles which depend on personal reasons: antipathy, envy, jealousy, a reckless attempt to grasp the first positions, demagoguery.

This dimension of conflict - even when it is not manifest in struggles over positions - also acts to produce resultants rather than logically derived, rational policies. For the conflict and bargaining which characterizes state policy formulation is equally important within trade unions and constitutes an important methodological principle for investigating trade union activities and policies.

While the policies and activities of trade unions are, at the situational level, resultants, the context of the internal process of bargaining, conflict, and compromise is set by the

organizational security/oppositional force dichotomy of the institutional level; and these organizational tensions are in turn shaped by the structural contradiction of trade unions' existence in capitalist society. The one-sidedness of those analyses which focus on one or the other of the crucial determinants, or on only one of the levels of analysis, can be fruitfully avoided by bearing in mind the interrelatedness of these factors. Thus, in the investigation of the Canadian trade union movement in succeeding chapters, the two important dimensions of internal trade union conflict will be examined in the context of the institutional and situational factors. Simplistic assumptions about coopted leadership must be dropped by the wayside if Marxist analysis of trade unions is to be at all convincing.

7. Summary and Outline of the Thesis

It is now possible to tie together the themes developed in this chapter and provide an outline of the following chapters. The purpose of the thesis is to examine the process of conflict and bargaining around wage controls and corporatism in the 1975-78 period in order to examine how the structure of the CLC bears on the development of 'corporatism/planning' in Canada. Thus, in terms of the logico-historical model suggested in this chapter, the movement toward a transformation of political representation and state intervention (from interest group

representation/'indirect' intervention to corporatism/planning) will form the guiding thread of investigation. This 'movement', however, is viewed as a 'structural push' or logical consequent of the problems engendered by the nature of the post-war settlement. As a structural push, then, corporatism/planning is not predetermined, especially as regards any one social formation. Whether or not corporatism is instituted depends on the unique configuration of institutions which form the Canadian social formation, and on the strengths and weaknesses of the various classes and fractions, the patterns of alliance, and the process of bargaining and compromise in particular conjunctures. Thus the outcome of the conflict and the bargaining around wage controls and corporatism in 1975-78 was indeterminant; and an examination of the process and its seeming failure should reveal which factors are likely to facilitate or impede any future attempts to transform political representation and state intervention in Canada.

To turn now to an outline of the remainder of the thesis.

Chapter II, covering the period from World War II to 1960, will briefly outline several key aspects of the Canadian post-war settlement: the adoption of Keynesianism and the general thrust of federal economic policy; the creation of the industrial relations system; and significant aspects of the development of the trade union movement. The purpose of the chapter is to note the specific way the Canadian state and trade union movement influenced and adapted to the changed

circumstances wrought by World War II in order to provide a historical background to labour-state relations in the 1960's and 1970's.

The period from 1960 to late 1975 will be dealt with in Chapter III. In this chapter the outburst of industrial unrest in the 1960's will be outlined and linked to developments in economic policy (ie. incomes policies) and industrial relations policy (ie. centralized bargaining, 'rationalization', etc.), both of which raised the question of the integration of organized labour into the state via tripartite 'consensus' mechanisms. The purpose of the chapter is to indicate some of the factors behind these various initiatives, and to outline their general results.

Chapters IV (October 1975-December 1976) and V (January 1977-April 1978) will trace the negotiations around wage controls and corporatism during the period of wage and price controls. Emphasis will be placed on two levels of the negotiations - the CLC-business-state level and the intra-CLC level. The purpose of these chapters is to investigate the causes of the failure of negotiations, with specific reference to the divisions internal to the CLC which circumscribed the bargaining position of the labour leadership.

Chapter VI will conclude the thesis with a brief outline of relevant events subsequent to April 1978 and a consideration of the possibility and likelihood that future corporatist initiatives will meet with success.

NOTES TO CHAPTER I

1. The splits and divisions within the state will be touched upon where appropriate, but will not be emphasized in the chapters dealing with the 1975-78 period; only occasionally will internal differences within the business 'community' be dealt with.
2. The official positions of the CLC tellingly did not refer to tripartism; and neither do the statements of the government. In relation to Regan's speeches see Globe and Mail, 28 July 1980.
3. See Chapter VI for a fuller discussion.
4. See Ginden and Panitch (1980) for a similar scenario.
5. Work in progress by David Langille should shed more light on these developments.
6. It is sometimes claimed, especially in North America, that Marxism is 'ideological' or 'political'. It is possible to reply to this accusation in one of two possible ways. First, it is possible to attempt to turn the tables by claiming that Marxism (historical materialism) is the 'true' science and that its critics are simply 'bourgeois apologists'. This response is unsatisfactory. The second, and better, response is to admit that, of course, Marxism is 'ideological', and to immediately add that so is every other paradigm. The reason why Marxism is singled out is that it does not take the status quo as the be all and end all of civilization; but by raising the likelihood of future historical transformations, it disturbs those who take the existing social structures as 'given' and who, crouching behind the pretense of 'objectivity', refuse to recognize that their own perspectives are as slanted as is Marxism's. To be fair, many Marxists are subjected to the same delusions, and they are just as insufferable.
7. The following has been heavily influenced by Poulantzas (1976, 1978a) and Mahon (1977, 1979c). Several important criticisms of the approach used here are Hall (1980) and Jessop (1980). It should also be noted that the following points (and those advanced in Section 5) do not constitute a 'theory of the state'; rather, the analysis is restricted to drawing attention to several crucial points which will structure the approach of the thesis.

8. Several clarifications should be introduced. First, on this view, all classes, class fractions, etc. are 'represented' in some manner. That is, the state is not simply in the hands of the bourgeoisie; rather, the working class is also (but unequally) represented. (See Therborn (1978: 180-240) for a different position). Second, the correlation between a particular apparatus and a particular class or fraction is achieved on the basis of organizational factors, not personal ties or interest group-state linkages. A particular branch or department represents a particular class in the sense that the department's jurisdiction or tasks are integral to the interests of that class. (See Section 5, below). Third, representation does not involve a perfect mirroring of interests; the process is much closer to filtering. Fourth, it should be emphasized that the structure of representation is not static, nor is the power balance between the various representative 'sites'. Instead, the structure, as product of the class struggle, is continually buffeted by ongoing conflict and the emergence of contradictions, and is thus continually being reshaped and altered.
9. The preceding formulation has been quite general; in Section 5 more concrete tools for investigation state policy-making will be developed.
10. Strinati (1979) and Jessop (1978) actually define the state as "an institutional system of political domination, embodying both modes of political representation and means of intervention in capital accumulation and class conflicts" (Strinati: 193).
11. This method is based on that of Warren (1972).
12. This is based on Fine and Harris (1979: Chapter 7), where the phases are termed 'laissez-faire', 'monopoly', and 'state monopoly'. The term 'competitive' (Poulantzas, 1978a) is employed here in order to use the term 'laissez-faire' to denote the mode of state intervention in the 'competitive' phase. The term 'advanced' is used here since the state played a role in all the phases, not only in the present (as the term 'state monopoly' seems to imply). The distinctive features marking each phase which Fine and Harris underline may be used here (regardless of terminological differences); however, as indicated above, their overly deterministic approach is avoided.
13. See Strinati (1979) and Fine and Harris (1979).
14. The generality of the model can be seen from the divergence of the Canadian case (Wolfe, 1980).

15. See Strinati (1979), Malles (1973) and Woods (1973).
16. This ignores two other important forms of representation - direct liason with the executive and indirect pressure which is interpreted in the state without reference to explicitly articulated demands. The point is, however, that the role of parliament was central.
17. See Gough (1975), Apple (1979), Wolfe (1980) and Fine and Harris (1979).
18. See Doern (1979) for an argument stressing the rise of 'supply-side' economic tools to supplement the demand management techniques of Keynesianism.
19. See Panitch (1977b, 1979a, 1979b) for extensive and valuable contributions to the analysis of corporatism.
20. The need for trade union participation in voluntary incomes policies is obvious. And the participation and cooperation of organized labour and capital in the formulation and administration of manpower planning may also be noted. Moreover, as Tarling and Wilkinson (1977) point out, trade union participation is usually won by allowing for participation in various other aspects of state policy.
21. In addition, the following factors may be noted: the centralization of employers (ie. the strength of their peak organizations); the centralization of the state; and the immediate political (ie. electoral) circumstances.
22. See note 7.
23. Although the analysis in subsequent sections and chapters is based on the notion that explanatory factors associated with each level are important, it will not always be possible to bring the full range of variables to bear on specific cases (partly for lack of information and partly because a particular set of factors will alone provide a convincing explanation). The aim in developing this model is to explain; thus there will be no attempt to validate the model through countless self-satisfied re-iterations of the 'value' of the approach; rather, if the explanations are at all useful, then this will be sufficient.
24. This is not too far removed from Allison's position as he stresses the fact of position (ie. organizational position) in determining power and influence (164-65).

25. It may also be noted that the following concentrates generally on modes of representation and intervention in the monopoly and advanced phases.
26. It is necessary to underline that this is a dynamic process. Economic policy orientations and procedures do not just 'appear' or 'exist', but rather are produced by the class struggle. Keynesianism, for example, was not just a 'good idea', but a political strategy of economic administration (Kay and Mott, 1980), produced by the class struggle. And economic policy is exercised in the context of the class struggle, through the conflicting interests and changing strengths of classes which, in specific conjunctures shift policy from this to that emphasis. It should also be noted that the identification of the interests of capital in general with the 'national interest' is not a mass mystification; the capitalist system does depend on the accumulation process and the material interests of the working class are vitally affected by the 'health of the economy' (Przeworski, 1979).
27. Of course social policy agencies and others also represent the working class, just as the dominant classes are represented by various apparatuses. Indeed, a fuller analysis would require the examination of how particular class fractions, strata, etc. are represented, for there are significant contradictions between, say, the various fractions of capital. The point here, however, is that a broad presentation serves to illustrate the process of representation.
28. Michels (1962). Michels' work is particularly important for theorists working from the Marxist perspective, too many of whom dismiss his insights without considering the serious questions he raises concerning democracy and socialism. To reject the 'iron law of oligarchy' with an impatient nod in the direction of the 'bureaucracy question', and an invocation of facile assumptions about direct democracy (in the face of all historical evidence to the contrary), is to ignore the challenge of Michels' work.
29. It may be well to point out that the term 'rank-and-file' is often tossed about carelessly. Despite occasional moments of genuinely broad participation, it is more often the case that the activist element of the rank-and-file constitutes the true counterweight to the entrenched leadership.

CHAPTER II

PROLOGUE: THE STATE, ORGANIZED LABOUR AND THE 'POST-WAR SETTLEMENT', 1939-1960

H.C. Pentland has portrayed the modern Canadian economy as "a composition of four major strata laid down in different epochs" (1968: 244):

At the bottom is a residue of the pre-industrial economy consisting in a superficial and labour-intensive exploitation of surface resources, which was established in the seventeenth and eighteenth centuries. Next is a larger remnant of the nineteenth-century industrial economy, featuring small-scale manufacture of traditional items for the home market and some large-scale but elementary processing of farm and forest products, still sometimes for export. The third layer, and the main one, accumulated mostly since 1910, consists of firms engaged in the large-scale exploitation of Canadian raw materials mostly for the American market (mining, pulp and paper) and large-scale manufactures of durable consumer goods for the Canadian market, both carried on largely by firms that are subsidiaries of "multi-national", usually American corporations. The fourth stratum, laid down mostly in the last twenty years, features industries of the new technologies such as electronics and the more sophisticated applications of chemistry. It is a spotty and rather thin layer in Canada, and again heavily dependent on foreign owners (1968: 244-45).

These four epochs can be equated to four distinct phases of the mode of production: the first can be viewed as the period during which the pre-capitalist mode of production was dominant, the second as the 'competitive' phase of the capitalist mode of production, the third as the 'monopoly' phase, and the fourth as the 'advanced' phase.¹

In terms of the logico-historical overview of the role of the state suggested in the previous chapter, World War II and the immediate post-war years can therefore be interpreted as the period during which the monopoly phase was consolidated. According to the model, then, it is to be expected that the role of the state would be transformed during this period: specifically, it was suggested that the role of the state in the monopoly phase is characterized by a shift from a 'non-interventionist' to an 'indirect' mode of intervention and a corresponding shift from a parliamentary mode of political representation to an interest group mode (accompanying the shift of state policy-making from the legislative-executive to the executive-bureaucratic nexus).² This chapter will outline these changes in the Canadian social formation.

The purpose of this chapter is to provide the relevant historical background for the analysis of the movement toward 'corporatism/planning' to be investigated in subsequent chapters. Two considerations lie behind the presentation of this historical background. First, it has been suggested that the instability of the post-war settlement gives rise to the movement toward corporatism/planning, thus it will be useful to outline the several aspects of the post-war settlement which eventually became unstable in order to grasp the implications of the resultant political and economic problems, as well as to understand the historical progression of the role of the state.

More importantly, however, it has been stressed that the logico-historical model is extremely general, and that the contours and rhythm of development of any particular social formation are unique. The forces which impell and impede corporatism/planning are not iron-like laws, but are rather historically conditioned products of specific social formations; the class struggle, in other words, is firmly rooted in the conditions of existence of particular formations. Thus it is important to examine the particularly Canadian post-war settlement, for its characteristics will affect the movement toward corporatism/planning.

The specific aspects of the post-war settlement to be investigated in this chapter are state economic intervention, intervention in industrial relations, and the political representation of the working class. The rationale behind the choice of these themes lies with the developments with which subsequent chapters are concerned; that is, the move toward incomes policies in the field of economic policy and toward efforts to more directly structure industrial relations, both of which involved attempts to integrate the trade union movement into the state via tripartite 'consensus mechanisms'. The chapter will cover the 1939-1960 period and will be divided into four sections. Section 1 will outline the emergence of Keynesianism and the post-war economic orientation of the Canadian state; Section 2 will examine industrial relations

policy (ie. the creation of a collective bargaining system) during and after the war; Section 3 will discuss organized labour's attainment of an interest-group status, and the internal tensions which characterized the movement in the post-war years; and Section 4 will summarize and conclude the chapter.

1. The 'Keynesian Revolution' and the Canadian State

In Chapter I it was suggested that one of the principal bases of the post-war settlement was the state's commitment to full employment, a goal to be achieved through the adoption of Keynesian fiscal and monetary techniques. This post-war settlement involved, of course, more than just a shift in economic policy. For example, the creation of a social security system and the encouragement and sanctioning of collective bargaining were also of considerable importance.³ However, the adoption of Keynesianism is of particular importance as it laid the basis of post-war state economic policy and because its eventual 'breakdown' led to proposals for a different order of economic intervention, most notably incomes policies.

The purpose of this section, then, is to briefly examine the Canadian state's adoption and use of Keynesianism during and after World War II.⁴ Two themes will be stressed. First, as was suggested in Chapter I, Keynesianism should not be interpreted simply as a 'good idea', for it was the product

of political circumstances as much as it was a set of purely technical tools. Thus it will be useful to examine the political circumstances which prompted the Canadian state to reorient its traditional role. Second, as the logico-historical model is explicitly general (ie. applicable, in broad outline, to all capitalist states) it is necessary to specify the factors specific to Canada which shaped its particular transformation. Thus it will be proposed that the variant of Keynesianism adopted by the Canadian state, and hence post-war economic policy, can be interpreted with reference to the historical role of the state.⁵ The importance of this lies in the fact that the variant of Keynesianism adopted, and the extent of the commitment to full employment, would have an effect on the eventual emergence of incomes policies as the post-war settlement became increasingly unstable. Before turning to a discussion of Keynesianism, it will be therefore useful to indicate, very generally, the nature of state intervention before the Second World War.

According to the logico-historical model employed in this thesis, pre-war state economic policy is typically characterized by a laissez-faire stance. In Canada, this was not exactly the case.⁶ The Canadian state, for a variety of reasons (not the least of which was the strength and influence of the merchant-financier fraction), engaged in various forms of economic intervention since the early 1800's. This involvement,

oriented around a mercantilist accumulation strategy of staples export and capital import, was most evident in the extensive canal building of the 1830's and railway construction of the later 1800's, but also extended to an involvement in the settlement and cultivation of the western region and the development of a capitalist labour market. Moreover, the state's role in these areas, and through tariff policies, had the effect of promoting manufacturing (albeit without preventing the penetration of substantial amounts of foreign capital). However, these activities must be distinguished from the orthodox fiscal and monetary orientation which guided stabilization policy before the war.

Wolfe (1980) has argued that the economic role of the Canadian state prior to the Second World War was not 'laissez-faire', but rather, mercantilist. However, in places he puts the case somewhat differently, that is, that orthodox (ie. laissez-faire) policies were linked with and shaped by the traditional mercantilist accumulation strategy.⁷ The second formulation is perhaps better than the first, for before World War II, state economic policy was dominated by the belief that the capitalist economy needed no state involvement. As Pentland noted (in reference to the state's ineffectual response to the Depression): "Despite some lively schools of monetary heresy in Canada, pointed in the general direction of Keynesian economics, a dominant belief in a self-equilibrating

economy hampered effective action" (1968: 184). It is suggested here, therefore, that pre-war Canadian economic policy can be interpreted as laissez-faire, but substantially moulded by the mercantilist accumulation strategy associated with the hegemony of the merchant-financier fraction.⁸

Between 1939 and 1945 the mode of state economic intervention was significantly transformed. Indeed, by 1945 the federal government's White Paper on Employment and Income explicitly stated that the attainment of a 'high and stable level of employment' was to henceforth be a primary economic goal of the state. And this was to be achieved through the use of Keynesian fiscal and monetary policies. The articulation of these goals in the context of the adoption of Keynesianism mark the shift in state intervention from the 'non-interventionist' to the 'indirect' mode. However, it is important to analyze the forces behind this transformation, and to outline somewhat more precisely the particular features of this strategy.

As Wolfe has noted, two broad factors combined to prompt the adoption of Keynesianism. First, "the experience of the war proved to be an applied lesson in Keynesian economics for capitalist nations ..." (Wolfe, 1980: 375). That is, the requirements and exigencies of war-time thrust the Canadian state into the role of directing and administering the nation's productive resources. This constituted a powerful lesson, for it demonstrated that government involvement in the economy

could bring about a high level of employment and sustained growth. And:

To achieve [a high and stable level of employment and income] the government moved a very substantial distance in the direction of Keynesian economics: 'The Government will be prepared, in periods when unemployment threatens, to occur deficits and increases in the national debt resulting from its employment and income policy, whether that policy in the circumstances is best applied through increased expenditures or reduced taxation. In period of buoyant employment and income, budget plans will call for surpluses. The Government's policy will be to keep the national debt within manageable proportions and maintain a proper balance in its budget over a period longer than a single year' (White Paper). Before the war, budget deficits had been akin to sin: in 1945 they were simply an economic tool (Granatstein, 1975: 277-78).

However, the adoption of Keynesianism was not only the result of technical learning, but of political learning as well, for the political pressure brought to bear on the Mackenzie King government by the Co-operative Commonwealth Federation (CCF) and organized labour was an important factor in the permanency of the transformation. The CCF, which had been advocating state economic intervention (ie. social democratic 'planning') since its inception, threw a fright into the federal Liberals during the war. In August 1943 the CCF captured thirty-four seats in the Ontario election and became the official opposition. Then, less than one week later, the CCF won two of four federal seats in a by-election (the others were won by a Labour-Progressive candidate and a Bloc Populaire Canadian candidate) (Granatstein: 265).

Another significant factor in the Liberal's conversion to Keynesianism was the degree of war-time working class industrial unrest, which peaked during 1943. In 1939 there had been only 122 strikes and lockouts, involving 41,038 workers and resulting in 224,558 days lost. These figures increased steadily throughout the war such that by 1943 there were 402 strikes and lockouts, involving 218,404 workers and resulting in over one million days lost (See Appendix 1: Table 2). This outburst of industrial militancy, which also had effects on industrial relations policy (see next section), was all the more disturbing (to the Liberals) because much of it was carried out by the Canadian Congress of Labour, an industrially organized union central with close links to the CCF. It was in this context of working class unrest and electoral success by the CCF that the government moved toward a new mode of economic intervention:⁹

An important consequence of the increased political strength of the organized labour movement and the CCF during the war was the increased emphasis placed by the Liberal government on the reconstruction planning process from mid-1943 onwards. The various reconstruction measures adopted by the government, including the symbolically significant family allowances and the commitment to full employment contained in the White Paper, were clearly designed as part of a package intended to undermine the appeal of the CCF (Wolfe, 1980: 376-77).

It is important to note, however, that the Keynesianism adopted in Canada was shaped by the historical economic role of the state. That is, the basic mercantilist strategy of export-led growth

and reliance on foreign capital was not foregone (despite the experience of the war which demonstrated that even without foreign capital the Canadian economy could function remarkably well (Pentland, 1968: 197)). Instead, the new mode of intervention was linked with a familiar and traditional purpose: "It was a version of Keynesianism which attempted to integrate, the classic commitment to the maintenance of full employment and the goal of economic stabilization with the traditional Canadian dependence on the achievement of a high level of staple exports for the realization of economic prosperity" (Wolfe, 1980: 378). Thus the transformation to a new mode of state intervention, although impelled by the same political considerations as affected other capitalist formations, was conditioned by the historically determined configuration of forces which characterized the pre-war Canadian social formation.

Following the war the government reduced its direct intervention, yet continued a policy which can be termed 'indirect'. From 1948-60 the economic policy of the federal government was oriented around one major facet of economic development - the encouragement of investment, irrespective of source (Wolfe, 1978: 18). This orientation is clearly evidenced by the stream of policies through the period:¹¹ the disposal (at one-third of the original cost) of many of the production facilities owned and operated by the government during the war; changes in the tax system which allowed accelerated depreciation,

write-offs for research and development, and other concessions encouraging capital expansion; the import control policy of 1947 designed to encourage import substitution; the government's bargaining strategy at the post-war GATT negotiations, that is, its emphasis on the protection of staple exports at the cost of foreign import tariffs; the activities of the Industrial Development Branch of the Department of Trade and Commerce; and C.D. Howe's use of incentives to attract investment through the Department of Defence Production (created after the outbreak of the Korean War). The result of this set of policies was two-fold: first, the investment incentives were successful in increasing capital expansion, particularly the expansion of American capital into Canada; second the resource-extractive sector was strengthened at the expense of indigenous manufacturing. (The two results are not contradictory: while import substitution measures encouraged the growth of the manufacturing sector, a huge part of this growth was accounted for by American branch plants).

What was most interesting about this set of policies was their relation to the shift to Keynesian macro-policy. As outlined above, the 1945 White Paper on Employment and Income heralded a new role for the state, a role which explicitly set full employment as a state goal and responsibility. However, after reviewing the budgetary history of the period, Wolfe concludes that:

Despite the principles of fiscal stabilization espoused in the White Paper it is quite clear that these were not the principles which guided fiscal policy in the post-war budgets... The post-war Liberal government adopted a somewhat partial view of Keynes that emphasized the more expansionary policy implications of his theory. This emphasis reflected a strong preference for the traditional economic goals of Canadian governments which stressed the promotion of a strong national economy through public support of private enterprise. Out of the old economic orthodoxy the post-war Liberals created a new one, which could use the theoretical concepts of the White Paper as justification for pursuing the traditional goals (1978: 9).

Two facts should be stressed concerning the years between the war and 1960. First, although high levels of employment were achieved in the immediate post-war years, the problem of inflation emerged. Second, the state's commitment to full employment was revealed as somewhat tenuous when, in 1957, recession set in and unemployment climbed to about 7 per cent (See Appendix 1: Table 1). It has been suggested (Panitch, 1977: 20-22; Apple 1979: 17) that the Canadian state's somewhat tenuous commitment to full employment was due in part to the fact that the organized working class "did not pose a centralized threat with which the state was forced to deal" (Panitch, 1977: 20). At least as important as the structure of organized labour, however, was the internal dissension which characterized it in the post-war period (see Section 3).

This section has briefly examined the adoption of Keynesianism in Canada during World War II. This shift, and

the associated commitment to full employment (or, better, the commitment to avoid excessive unemployment) was integral to the post-war settlement. The importance of this analysis is that, as will be suggested in Chapter III, incomes policies and corporatist initiatives arose in response to the instability of the post-war settlement. However, it is necessary to trace the emergence of another important component of the new mode of indirect state intervention - the creation of the post-war collective bargaining system.

2. World War II and the Formation of a Collective Bargaining System

During the Second World War state intervention in industrial relations, and consequently the industrial relations system itself, underwent a fundamental transformation. Moreover, this shift in the role of the state accords with that of economic policy, that is, from a 'non-interventionist' to an 'indirect' mode. The purpose of this section is to outline the process behind this transformation.

However, just as pre-war Canadian economic policy did not perfectly conform to the purely laissez-faire state portrayed in Chapter I, state industrial relations policy before 1939 also involved a fair degree of intervention. Thus, before proceeding with the discussion of the war-time transformation, it will be useful to briefly review the state's role in the pre-war period.

Before the close of the nineteenth century the federal government had ventured only infrequently into industrial relations.¹² In 1872 the common law prohibitions against 'conspiracy in restraint of trade' were partially circumscribed through the enactment of the Trade Union Act which exempted those trade unions which had registered in accordance with the act's provisions. Although "historically the act remained a dead letter" (Woods, 1973: 40) due to the reluctance of unions to register, its significance lies in the fact that it was enacted as a consequence of working class political pressure.¹³ However, the simultaneous passage of the Criminal Law Amendments Act, which prescribed penalties for violence or intimidation during organizing campaigns and strikes, took some of the luster off the Trade Union Act. For these two acts, taken together, meant that "a strike was no longer a conspiracy in restraint of trade, but it could be under certain circumstances a conspiracy at common law to molest, injure or impoverish an individual, or to prevent him from carrying on his business" (Woods: 37). Several other minor legislative moves were made during the nineteenth century, most of which introduced modifications slightly in favour of the infant trade union movement. The provinces also enacted several pieces of legislation which, despite being largely ineffectual, introduced certain principles which were to reappear in the twentieth century. Notable among these were the idea of representative conciliation boards and the two-stage conciliation process.¹⁴

In the first decade of the present century there was a spate of important legislation affecting industrial relations.¹⁵ The Federal Conciliation Act of 1900, which created the Department of Labour, empowered the Minister of Labour to "inquire into the cause of any industrial dispute, and to appoint a conciliator or board of conciliation at the request of either employer or workmen" (Woods: 50). Again the act was largely ineffectual and was superseded by the Industrial Disputes Investigation Act (IDI) in 1907. In the interval, however, the Railway Labour Disputes Act was enacted. The Railway Labour Disputes Act, passed in response to a number of serious strikes of railway workers, introduced compulsory conciliation for the first time. In 1907, as a result of major labour unrest in coal mining, the IDI Act was introduced. The new Act, although not comprehensive in its coverage, applied to a wide range of industries - mining, transportation, communications, railways, steamships, telegraph and telephone operations, gas, electric lights, water and power works. Under the IDI Act, industrial disputes in these sectors would be henceforth subject to a mandatory conciliation and investigation process, and, significantly, a prohibition of strikes and lockouts pending completion of the conciliation process. The obvious emphasis of the IDI Act - indeed of all of industrial relations policy at the time - was the prevention of labour disputes, particularly those which affected the

'public interest'. At the time, the Labour Gazette commented on the new Act's purpose:

...The object of the new legislation ... is to aid in the prevention and settlement of industrial disputes insofar as the same affect any form of public utilities. Such disputes obviously affect the public interest more closely than those concerning any other class of industry, and their prevention altogether, or, if that is impossible, their prompt and amicable settlement, is even more desirable than in the case of ordinary labour trouble, since cessation of work from lockout or strike in the case of a public utility involves not only loss to employers and employed, but grave inconvenience and possible serious distress to the public at large... (Woods: 56).

The IDI Act was changed only twice from 1907 to 1939, once temporarily, and once permanently. The first change occurred in March 1916 when the Act, and thus compulsory conciliation, was "extended to cover all war industries including mining and transportation as well as shipbuilding and munitions" (Jamieson, 1968: 160). This took place in response to working class militancy during the war, largely emanating from the rank-and-file of the trade union movement, for most labour leaders were falling all over themselves attempting to aid the government's war effort.¹⁶

The second change occurred in 1925 when the Judicial Committee of the Privy Council "ruled that the IDI Act was ultra vires the Parliament of Canada because it infringed upon the exclusive authority of the provinces to legislate on matters involving property and civil rights in the provinces" (Woods: 21). The federal government immediately amended the

Act to narrow its scope consonant with federal jurisdiction. However, simultaneously, the Act was broadened to include all labour relations within federal competence. Within the next seven years all the provinces (except P.E.I.) had passed legislation which extended the operation of the IDI Act to industries within provincial jurisdiction (under a permissive clause in the federal government's amending legislation allowing such extensions). By the latter half of the thirties the provinces began withdrawing from the federal sphere and instituting their own legislation, characterized by Woods as "halting and ineffectual legislative steps in partial imitation of American law" (Woods: 27), that is, in imitation of the Wagner Act.

Before turning to a discussion of the 1939-1960 period, several comments may be made concerning the pre-war years. The general nature of state intervention in industrial relations before World War II was ad hoc and directed toward the support of the National Policy. The major spate of legislation, in 1900-1907, was prompted by unrest in coalmining and railways, sectors clearly integral to the National Policy. Indeed, while the period was characterized by general unrest, the legislation was limited to those areas which posed a threat to the dominant mercantilist accumulation strategy and left other struggles to run their course. A second aspect of interest is that the intervention which did occur involved only ad hoc

intervention through dispute settlement procedures: there was no effort to structure collective bargaining; and there was only a fleeting recognition of organized labour (ie. during the tripartite conciliation process). Thus in the pre-war period state intervention in Canadian industrial relations, although not absolutely 'non-interventionist', was generally limited; and the exceptions were products of the historical role of the Canadian state in protecting the National Policy - the strategy of the merchant-financier fraction.

During and immediately after World War II, however, the Canadian state's role in industrial relations underwent a fundamental transformation. As the following discussion involves the relationship between the trade union movement and the state it will be useful to briefly outline the configuration of the movement at the start of the war.

In the 1930's there was the beginnings of a significant new movement in trade unionism - the growth of industrial unions.¹⁷ Although industrial unionism initially began inside the Trades and Labour Congress (TLC: the oldest Canadian union central, dominated by the craft-based American Federation of Labour) the new industrial unions (which were linked with the Congress of Industrial Organization in the United States) were tossed out in 1939 after the TLC executive succumbed to pressure from the AFL. During the next twelve months negotiations between the expelled unions and the All Canadian Congress of

Labour (a Canadian union central formed in 1927 by several groups which had, at various times, either been expelled from the TLC or had left on their own accord) resulted in the formation of the Canadian Congress of Labour (CCL). It is important to underline the differences between the TLC and the CCL, for these differences were to impinge upon the relations between the union movement and the state, and upon the labour policies which emerged during the war.

Although state-sanctioned collective bargaining was not the norm in industrial relations before World War II, many of the TLC craft unions were fairly well-entrenched and the craft workers were relatively well paid. However, the industrial unions were still struggling for recognition and legitimacy, both against employers and governments. The industrial unions, moreover, were successful in the new monopoly phase industries such as mining, automobiles, and electrical production, characterized by low skill requirements and low pay. Thus the two groups had divergent short-run interests: TLC unions were concerned with maintaining their relative position and protecting their members' living standards; and the CCL unions were concerned with gaining recognition and improving their members' living standards. Finally, the AFL-dominated TLC, being heavily influenced by the business unionism ideology of the American craft unions (ie. Gompersism) was relatively more politically conservative than the CCL, which had links with the Communist Party and the CCF.

This 'uneven development' significantly affected the particular pressures brought to bear on the union movement during the war and resulted in differential responses which in turn ultimately affected the process of labour policy formulation. The essential point is that the heterogeneity of the labour movement resulted in heterogeneous 'interests'; a factor which is crucial to the following interpretation of the series of state policies during the period.

The accepted view of the transformation of labour-state relations during World War II is that the industrial militancy of organized labour - especially of the CCL - led the federal government to concede the right of collective bargaining to labour in 1944 (in the form of PC 1003).¹⁸ In addition, the challenge being posed by the CCF is usually given considerable weight. However, viewed from the perspective of the process of state policy formulation advanced in this thesis, the issue becomes considerably more complex. For, while a correlation between militancy and state response is essential to an understanding of why the state responded when it did, it does not fully explain why the state responded in the manner that it did; in addition, it fails to explain the earlier stages of labour policy (from 1939-41) which contributed to the later militancy.

The primary concern of the federal government was inflation.¹⁹ This concern, uppermost in the minds of cabinet

ministers and senior civil servants, was rooted in two crucial assumptions: "it was felt that inflation was the principal cause of social disruption and that the level of wages was the principal determinant of the rate of inflation" (Hanson: 4).

The first of these assumptions was grounded in the experience of the First World War, when inflation was a major factor promoting unrest in the later war years and post-war period. This central thread of reasoning ran through the whole series of policies formulated during the period. However, while this primary orientation was shared by the different components of the state apparatus (including the ministers and senior civil servants of Finance, Munitions and Supply, Labour, etc.) the precise manner in which this goal was to be attained was in dispute.

The concerns about inflation resulted in the formulation of a wage control policy, the broad conception of which had been initially considered in 1939 by the Economic Advisory Committee²⁰ the impetus being a potential coal mining strike in February 1940. In response, the Economic Advisory Committee recommended a general wage policy to Cabinet, the substance of which was a freeze on wages coupled with a cost-of-living bonus scheme to apply to war-related industries. The Department of Labour then drafted a plan and the Deputy-Minister consulted the major organized labour groups in order to gain their consent. These consultations took place in June and, while the leaders

of the TLC and CCL gave their consent, they also expressed their concerns about the right to collective bargaining and labour representation on the various bodies set up to administer the war effort. In July 1940, PC. 2685 was passed.

This Order was a statement of principles:

In part it provided that employees should be free to organize in trade unions, free from any control by employers or their agents, and that employees, through the officers of their trade union or through other representatives chosen by them, should be free to negotiate with employers ... concerning rates of pay, hours of labour, and other working conditions with a view to the conclusion of a collective agreement. Every collective agreement should provide machinery for the settlement of disputes arising out of the agreement and for its renewal or revision, and both parties should scrupulously observe the terms and conditions of any agreement (Woods: 71).

Several months later, in December, the government issued PC. 7440 which instituted the wage freeze and cost-of-living bonus plan. Superficially then, PC. 2685 was a concession which partially won initial support for the wage controls programme. However, the process was not quite so straightforward: the representatives of the various fractions of capital (ie. Finance, Munitions and Supply) were strongly opposed to even the statement of principles; but Mackenzie King and the labour representative won out on the grounds that labour support was crucial to the success of the wage control policy. In addition, while the TLC supported PC.. 7440, the CCL was publicly opposed.²¹

Several important points emerge from this discussion:

- 1) there was a shared concern among agents of all the sites of

representation that inflation must be suppressed; 2) there were differences among the sites as to the manner in which labour must be accommodated, the representatives of capital arguing that the cost-of-living bonuses were sufficient, the representatives of labour urging that more was needed; 3) the representatives of labour (in conjunction with King) were successful in arranging a compromise due to the importance of labour support and the weakness of the concession; 4) the various fractions of organized labour responded differently to the compromise, the TLC being (initially) favourable, the CCL being opposed. As shall be seen, the policy was not successful due precisely to the bias of the compromise and the divergent interests of labour, that is, while the TLC acquiesced, the CCL did not, the basic difference emanating from their different concerns and the manner in which the policies impinged upon those concerns.²²

During 1941 industrial disputes escalated, with the CCL leading the attack on the government's policy so that in October, at the behest of capital's representatives in the state, the National War Labour Board was created, and the wage policy (including the strike ban) was extended to cover all industries. Before the government announced its intentions, King met with the labour leaders who again consented to the move, following which the new policy was implemented (in the form of PC 8253). What must be emphasized is that again the

issue was how to contain inflation without losing labour support: the state agents correctly perceived that organized labour (or, more accurately, its leaders) had to at least tacitly accept a programme which weighed heavily on the working class. In addition, Hanson has demonstrated that it was the TLC's support that was crucial:

The government, by the structure of the situation, was compelled therefore to seek to contain CCL affiliated unions [through the strike ban which would prevent CCL unions from closing the wage gap] in order to maintain the support of the TLC craft unions for the wage freeze and bonus, all in the interests of restraining inflation. In short, the government was forced to repress one section of labour to retain the support of another (Hanson: 13).

During 1942 and 1943 the CCL continued to grow and continued to force wages up through industrial action.²³ By the spring of 1943 the government still faced the problem: with the CCL unions gaining wage concessions, the TLC unionists would not continue their support for, and adherence to, the wage policy; and if the government lost the support of the 'responsible' TLC unions (some of which had already renounced the programme), then inflation and hence social turmoil would result. During that year the National War Labour Board studied the situation: their reports (there was both a majority report, the 'McTague Report', and a minority report, the 'Cohen Report') formed the basis for intra-state bargaining over the particular compromise to be effected. The two reports were unanimous in calling for compulsory collective bargaining, but diverged on

the issue of the wage stabilization scheme: the McTague Report recommended a system which would have operated in the TLC's favour, while the Cohen Report proposed a system which would have been in the CCL's favour. In addition, the Cohen Report's proposals would have increased the likelihood of a rise in inflation. At issue, then, was the precise form of the trade-off: "the problem was ... to determine what would have to be conceded to low wage earners to obtain their consent, without at the same time sacrificing the support of the TLC unions and most important, still remain within limits of a price restraint program" (Hanson: 21).

Most of the conflict centred around the manner in which the wage stabilization scheme was to operate. The Economic Advisory Committee agreed to the compulsory collective bargaining recommendation (on which both reports had been unanimous), disagreed with the recommendation of both reports that workers earning less than 50/cents/hour be freed from controls, and proposed, in its place, a family allowance plan,²⁴ and a compromise on the issue of the cost-of-living bonus provisions (less tough than McTague, but stricter than Cohen). The Department of Labour also had a position, which only deviated from the Economic Advisory Committee's in that workers paid under 50/cents/hour would have had a better opportunity to win increases.

The Cabinet's response was varied. On the one hand, the representatives of capital (Howe, Isley, Ralston) favoured

a more stringent application of the existing measures; on the other hand, King and the Minister of Labour, Mitchell,²⁵ favoured adoption of a more concessionary approach. Eventually - after a process of 'pulling and hauling' - the proposals of the Economic Advisory Committee won out after labour leaders had been consulted (the CCL being opposed, the TLC being in favour). Both 'sides' were unhappy about the compromise, but it is clear that the representatives of capital, being fairly satisfied with the wage stabilization aspect of the package, finally realized that unless organized labour was conceded some points, support for the government's policies would have completely evaporated: "thus King had succeeded in moving the cabinet towards some concessions to labour in an effort to obtain their consent, but even so, he felt 'finance had too much influence on the policy'" (Hanson: 24).

PC 1003 was announced in February 1944, the basic elements of which can be summarized here:²⁶ 1) workers were given the explicit right to form and join unions; 2) unfair labour practices were prohibited; 3) the state was given the power to define bargaining units and to certify unions; 4) collective bargaining was made compulsory; 5) strikes and lockouts were prohibited pending compulsory conciliation; and 6) compulsory arbitration was to apply to disputes during the life of the agreement. These elements of PC 1003 have formed the basis of a Canadian labour policy which, in its essentials, has remained unchanged to the present day.

With the end of the war it became apparent that PC 1003 (being enacted under the authority of the War Measures Act) would soon lapse, and jurisdiction over much of labour relations would consequently revert to the provinces. A conference of ministers of labour and their senior officials in 1946 resolved that, insofar as possible, a uniform labour policy should be maintained across Canada (Woods: 94-95). In 1948 the federal government enacted the Industrial Relations and Disputes Investigation Act (IRDI Act) which, with a few exceptions,²⁷ duplicated PC 1003. The provinces, in turn, enacted legislation of their own which conformed to the principles, if not the details, of the IRDI Act (Woods: 99).

Thus in the 1939-1948 period the approach of the Canadian state towards intervention in the industrial relations system underwent a fundamental transformation. Basic to this change was a new, more active role of the state in the shaping of labour-capital relations; for PC 1003 and the IRDI Act signalled a change in the state's role - from an ad hoc one, oriented toward preventing particular disputes from disrupting the National Policy, to a role oriented toward structuring the antagonisms of the two sides of the wage relation into a system which, although providing valuable and tangible freedoms for the working class, imposed a formalized mode of indirect discipline on the unions. This latter aspect was rooted in the procedural requirements of the policy,

requirements (such as the delays, prohibition on strikes, etc.) which circumscribed the flexibility of organized labour, thus reflecting the state's bias toward uninterrupted production.

From 1948 to 1960 there were no significant changes in state intervention in industrial relations. Indeed, despite the occasional serious strike, the period was a veritable lacuna in terms of federal government initiatives;²⁸ and, not unrelatedly, industrial militancy stayed well below the peaks experienced in 1943-48 (Appendix 1: Table 2). However, as the period came to a close, there were faint indications that the new mode of intervention in industrial relations was creating new problems:

... there were signs that the increasing degree to which governments, both federal and provincial, were intervening in industrial disputes in order to prevent or settle conflicts, was having the effect, incidentally and unintentionally, of widening the areas in which such conflict developed. That is to say, where governments were, directly or indirectly, recommending standards and influencing rates of pay, hours, conditions of work and fringe benefits in industries operating under "free enterprise" and "free" collective bargaining, via compulsory conciliation procedures, they provided a strong and growing inducement for employees of public utilities or publicly regulated enterprises, and of governments themselves, to seek comparable gains through collective bargaining and, if need be, by strike action (Jamieson: 391).

This section has traced the formation of the Canadian collective bargaining system during and after the Second World War. The new mode of intervention in industrial relations can be seen as an element of the post-war settlement. Indeed, the

same forces which impelled the adoption of Keynesianism and the commitment to full employment also thrust the state into a more active role in industrial relations. The importance of these two components of the post-war settlement is related to the argument to be advanced in Chapter III, that is, that the instability of Keynesianism and the post-war industrial relations system led, in the 1960's and 1970's, to a movement toward 'corporatism/planning'.

The interpretation of the emergence of the post-war industrial relations system suggested here points to two further conclusions. First, war-time state labour policy was heavily influenced by the historical role of the Canadian state. That is, while a substantial transformation was effected in the war years, it was historically conditioned by previous struggles which had produced a set of 'principles', most notably the state-directed conciliation process and the temporary ban on the right to strike. The continuation of this tradition, to which was added the new measures, was to have pronounced effects on industrial relations in the following years.

Second, the policy formulation process has been analyzed, in this section, with reference to not only the broad (structural) forces and historically-conditioned configuration of pre-existing institutional arrangements which impelled and shaped the transformation, but also with reference to conflict and bargaining within and between the labour movement

and the state. Thus the actual decisions and policies which together comprised the transformation, have been interpreted as resultants.

3. Organized Labour as an Interest Group and Intra-labour Tensions, 1939-1960

The preceding sections have outlined two integral aspects of the post-war settlement - the commitment to full employment associated with the adoption of Kenyesianism, and the formation of a collective bargaining system. Both of these transformations (and others, such as the expansion of social security) represented a shift from a 'non-interventionist' to an 'indirect' mode of state intervention. However, state intervention is only one side of the role of the state, and the logico-historical model outlined in Chapter I points to another change during the monopoly phase of capitalism - that from the parliamentary to the interest group mode of political representation. One of the purposes of this section is to outline this transformation.

The second purpose of the section is to analyze developments within organized labour following the Second World War. It will be suggested that, despite the relatively full employment which characterized the period, intra-labour tensions associated both with the state's role in defining 'responsible' interest groups and with purely internal tensions, served to weaken the labour movement throughout the period.

During the Second World War the locus of decision- and policy-making within the state shifted from the legislative-executive to the executive-bureaucratic nexus (Schindler, 1971). This shift, like the transformation of the mode of representation, was of course proximately associated with the war effort. But the permanency of the shift resulted from the post-war settlement. Simply put, the growth of the bureaucracy, coupled with a corresponding shift of power and influence due to the increased range and complexity of policy formulation, and the consequent difficulty of legislative control, resulted in the emergence of new centres of policy-making. The shift in the locus of policy formulation created a concomitant shift in the focus of political representation, for the struggles of particular classes and fractions focused upon the new centres of decision. And this shift served to enhance the role of interest groups relative to political parties.

Of course, interest groups existed well before World War II; and, equally, political parties continued to exert influence following the war. For example, the various trade union centrals comprising Canadian organized labour were operating as interest groups well before the war (the practice of presenting an Annual Memorandum dates from the nineteenth century); and after the war the ties between the labour movement and the CCF-NDP increased.²⁹ However, the point here is that the shift in the policy-making structure of the state

resulted in an increase in the importance of the interest group mode of representation relative to the parliamentary mode.³⁰ Moreover, with respect to trade unions, the shift was reinforced by the heightened legitimacy of organized labour recognized implicitly by Keynesianism (in that Keynesianism was predicated on the assumption that there was a downward inflexibility of wages and a political necessity to 'satisfy' the working class in order to minimize class tensions), and explicitly by the formation of the collective bargaining system.

However, not every union was considered as legitimate, since to be accorded legitimacy unions typically must demonstrate a degree of 'responsibility', that is, must acquiesce to capitalist relations of production and must channel their demands through existing institutions and procedures. The 'responsible unionism' issue has a long history in Canada. For instance, the Report of the 1887 Royal Commission on the Relations of Capital and Labour contained the following early formulation:

• Labour organizations are necessary to enable working men to deal on equal terms with their employers. They encourage their members to study and discuss matters affecting their interests and to devise means for the betterment of their class. It is gratifying to be assured by many competent witnesses that labour bodies discourage strikes and other disturbances in industry, favour conciliation and arbitration for the settlement of disputes, and adopt conservative and legitimate methods for promoting the welfare of the producing members of society (in Glenday and Schrenk: 121).

And the self-proclaimed 'friend of the working man', Mackenzie King, was always at pains to distinguish between 'responsible' unions (upon which legitimacy could be unhesitatingly conferred) and 'irresponsible' unions:

It is coming to be seen that the control of labour ... is wholly dependent upon its organization into conservatively directed unions; that it is among the unorganized and undisciplined workers that Bolshevism and IWW-ism recruit their armies of terror and destruction. In a union of the organized forces of Labour and of Capital, against a common enemy which menaces all society, lies the hope of the future. Industrial concerns which have hitherto stood out against anything in the nature of a democratic organization of industry will do well to evidence a disposition to act upon the principles of conference, investigation, organization, and representation, in dealing with their employees, and to concede to Labour the right of collective bargaining, and a voice in the determination of terms of employment and matters pertaining to their working and living conditions.

This new approach between Capital and Labour is certain, in its most highly developed forms, to take account of existing organizations of Labour and Capital, and to change the attitude of these powerful bodies from one of militance ... into one of cooperation ... (in *Levant*: 61).

As was suggested in Chapter I, the state-imposed³¹ definition of responsible unionism, and the response of union leaders, is reflective of the structurally contradictory existence of trade unions. Thus the tension between 'organizational security' (being 'responsible') and satisfying the interests and demands of the working class (being, presumably, 'irresponsible') can create tensions within the labour movement.

Indeed, during the years after the war this was clearly evident. Equally evident, however, was the existence of internal tensions emanating from other sources. The remainder of this section traces the development of organized labour in the post-war years.

The union movement during this period underwent profound changes, changes which were partially induced from without and partially induced by domestic factors. In terms of size, the rapid growth during World War II (from 362,000 members in 1940 to 711,000 members in 1945: Appendix 1: Table 3) continued until the mid-fifties (in 1949 there were over 1 million members, and by 1957 there were over 1.4 million: Appendix 1: Table 3), followed by a period of relative stagnation as the recession and accompanying unemployment set in. During this period, the proportion of unionists affiliated with the TLC rose slightly (from 45% in 1949 to 47% in 1954: Pentland, 1968: 139). The two other major centers were the CCL and the Canadian and Catholic Confederation of Labour (CCCL).

For convenience, the period can be divided into three sub-periods: 1948-1953; 1953-1956; and 1956-1960. During the first period both the TLC and CCL were wracked by internal dissension which flowed from conflict along national/international and communist/anti-communist lines; the second period was dominated by a move toward a CCL-TLC merger which culminated in the 1956 formation of the Canadian Labour Congress (CLC); and the final period was characterized by organizational

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consolidation, internal jurisdictional disputes, and an increase in labour militancy and strike action.

The anti-communist 'purges' of the late forties and early fifties were fueled by a deeply-rooted factor in labour-state relations - the issue of 'responsible unionism'. As noted above, the selective granting of legitimacy by the state has been a major consideration underlying the conflicts which have preoccupied the Canadian labour movement in this century. However, it would be wrong to locate the conflicts of this period solely in the issue of responsibility for it included two other, related dimensions. First, the influence of the AFL and CIO overwhelmed what efforts Canadian labour leaders did make to prevent dissension from crumbling the union centres. Second, it is undeniable that particular Canadian labour leaders (especially in the CCL) had an immediate political interest in purging the communists - a desire to align the movement more closely with the CCF. Nevertheless, despite these additional factors, it is clear that 'union responsibility' was at the bottom of the turmoil.

An example of the TLC's problems on this front was the case of the Canadian Seamen's Union (CSU).³² Despite pressure from the AFL to expell the CSU (ostensibly on the basis that the CSU was dual to the AFL's Seafarer's International Union, but in reality on the basis of communist domination), the TLC executive resisted until July 1949. The expulsion took place

during a CSU strike, and while the SIU was attempting to replace the CSU as bargaining agent for the seamen, an attempt which although illegal given the CSU'S certification was successful.

There can be little doubt that the allegations of communist domination were a major factor in the joint decision of labour and management of the shipping companies to seek the elimination of the CSU and the apparent collusion of the Canadian Government in these activities. Between the expressed willingness of the TLC leadership to support the CSU in its dispute with the ship-owners, in the spring of 1948, and the joint labour-management approach to the SIU in early 1949, had come recognition that, given the existing climate of opinion, communist labour leaders were a distinct liability in establishing the respectability of organized labour (Kwavnick: 146).

At root, in this case as well as others during these years,³³ was the issue of union responsibility. That this was an important issue was vividly illustrated by the statements contained in a letter sent to the Minister of Labour (Milton Gregg) by the presidents of the TLC and CCL in 1954. The letter was occasioned by the minister's acceptance of "representations on the problem of unemployment from the leaders of the United Electrical Workers' Union and the Mine, Mill and Smelter Workers' Union" (both of which had been expelled for communist influence):

The joint letter gave the impression that such action was looked upon as a betrayal on the part of the minister: "To rid the ranks of legitimate organized labour of these and other Communist led organizations has been no easy task, but we were of the opinion that Canadians generally and your Government as well were pleased to note that we had done so..."

... we need to plan together to make sure that the private sector can work in the same direction as the government, and that the various segments of economic policy will be well coordinated (Phidd: 434).

The Council was established to perform three related tasks: economic research, policy advice, and consensus formation (Phidd: 430). As to the latter, it has been suggested that: "At the time was a popularly held view that an efficient economy was due to the existence of a consensus between the public and private sectors.... In short, economic planning was synonymous with the building of a consensus on socio-economic policies" (Phidd: 439).

Although 'economic planning' was therefore implicit in its origins, the Council has never played a major role in this area. In this regard, as well as in relation to the other purposes of the Council, Leo Panitch's evaluation is instructive:

... The Council has not been so involved, nor has the Canadian state engaged in formalized economic planning even of the indicative kind. The Council has played, at the government's behest, an entirely advisory, research-oriented role, rather than a policy-making one. As such it has not served to bring organized functional interests into policy-making, nor to commit them to administering public policy over their respective members. Nor has it much facilitated "consensus-building" among them except in the vaguest sense (1979: 68).

The Council was not tripartite (although it included representatives of both capital and labour, other sectoral representatives were included and government was not); it was not an exercise in economic planning; nor had it a powerful voice in economic

But, in terms of labour-state relations, the formation of the CLC did provide the organized working class with a major 'legislative mouthpiece' which, because many intra-union conflicts were contained and mediated within one organization, could present itself as the 'voice of labour'.

The late fifties were characterized by several issues. First, the new organization strove to institute itself as the recognized representative of the working class. To this end the Congress worked to put its representatives on various governmental or public 'advisory' bodies (Kwavnick: 107). Second, jurisdictional disputes continued to plague the CLC, notably disputes between rival international unions such as between the International Woodworkers of America and the United Brotherhood of Carpetners and Joiners of America.³⁴ For the most part these disputes involved new organizing drives rather than raiding, but the latter were not unknown. Finally, the last few years of the fifties saw a minor explosion of strike activity: in 1958, total worker-days lost due to strikes and lockouts increased to 2.9 million; and in 1959 the corresponding figure was 2.3 million (Appendix 1: Table 2). This wave of strikes had a number of causes and will be dealt with more fully in Chapter III; but what should be noted now is that the outburst was due in part to a toughening of employer attitudes and a wave of provincial anti-union legislation, accompanied by inaction by the federal state (Pentland, 1968: 317-59; Jamieson: 556-59).

In this Section it has been suggested that the interest group mode of representation became dominant after World War II as a consequence of the shift in the locus of state policy formulation from the legislative-executive to the executive-bureaucratic nexus. Moreover, this shift was related to the transformation in the mode of state intervention during and after the war, for the indirect mode of intervention required an expansion of the activities of the state and the influence of the bureaucracy. Organized labour's status as an interest group therefore came to be more important than its status as a participant in electoral politics. This does not mean that its links with political parties were weakened or rendered unimportant (indeed the links were strengthened and made more explicit); the point here is that, with respect to the structure of representation in the state, and thus with respect to state policy formulation, the interest group mode of representation became dominant.

But, in the twelve years following 1948, organized labour did not exert a powerful influence on public policy. In addition to the structural bias of the state against the working class, it is important to note the state's role in defining 'responsible unionism' which contributed to the anti-communist purges of the period. Finally, other internal developments served to weaken labour, even in the context of relatively full employment - most notably labour's preoccupation

with the move toward a merger and the subsequent jurisdiction rivalries as the new organization entered a period of consolidation.

4. Conclusions

The purpose of this chapter has been to provide the relevant historical background for the analysis of the movement toward 'corporatism/planning' to be investigated in subsequent chapters. Three broad changes during the 1939-1960 period have been outlined: the adoption of Keynesianism and the state's commitment to full employment; the creation of a collective bargaining system characterized by state involvement in constituting bargaining units and in dispute settlement; and the effect on organized labour of the shift toward an interest group mode of political representation. These broad changes accord fairly closely with the logico-historical model proposed in Chapter I. However, several factors specific to the Canadian social formation shaped its post-war settlement in a unique way.

The relatively interventionist stance of the Canadian state prior to the Second World War affected both the adoption of Keynesianism and the development of the industrial relations system. The traditional mercantilist orientation of the state was not foregone, but instead was wedded to Keynesianism; and thus post-war economic policy reflected a strong bias toward the generation of investment irrespective of source and toward

increasing staple exports. Moreover, the relative weakness of the working class following the war meant that the Canadian state's commitment to full employment was more tenuous than might otherwise have been the case. The industrial relations system created during and after the war likewise reflected several specifically Canadian influences. Pre-war state intervention in industrial relations (albeit ad hoc and mainly directed toward the defence of the National Policy) had established certain principles - representative conciliation boards, delays of the right to strike, etc. - which were continued in the more comprehensive system developed during the Second World War. As well, the rise of the interest group mode of representation was affected by the historical disunity and weakness of the organized working class, as well as by the issue of 'responsible unionism'.

Finally, the discussion of the process of conflict, bargaining and compromise behind the formulation of war-time labour policy, besides illustrating the unequal structure of representation, demonstrates that situational factors were at play in the determination of the exact contours of the post-war settlement. Especially important in this regard was the effect that cleavages in the labour movement had on state policy. In Chapters IV and V this approach will be employed to interpret the conflict and bargaining around wage controls and corporatism in 1975-1978.

From the perspective of the overall thesis, the significance of the elements of the post-war settlement discussed in this chapter relate to the instability of economic and industrial relations policy which became apparent in the 1960's and 1970's. In Section 1 it was suggested that in the post-war years the problem of inflation was more serious than was unemployment; and in Section 2 it was noted that the state's extensive involvement in the industrial relations system began to generate tensions not foreseen when the policy first emerged. The next chapter will examine these factors more closely.

NOTES TO CHAPTER II

1. For a discussion of periodisation see Chapter I, Sections 2 and 3.
2. See Chapter I, Section 3.
3. The creation of a social security system (the 'Welfare State') will not be dealt with in the thesis. For the industrial relations aspect of the post-war settlement, see Section 2.
4. The discussion will be relatively brief as the purpose is mainly to provide the historical background for the analysis in subsequent chapters. In addition, the topic has been extensively analyzed elsewhere. See Wolfe (1980), Granatstein (1975) and Pentland (1968).
5. It would prove useful to also analyze the situational level, that is, the conflict and bargaining within the state over the precise policies. However, the scope of this thesis is not sufficiently broad for such a task. See Wolfe (1980) for a detailed discussion of some of these factors. The analysis of the emergence of the post-war industrial relations system (in Section 2) will take situational factors into account.
6. On the pre-war economic role of the state see Wolfe (1980), Pentland (1959; 1968), Easterbrook and Aitken (1956), Clement (1975), Naylor (1972) and Williams (1979).
7. For example, he argues that pre-war monetary policy illustrates the 'deviations from the tenets of economic liberalism' introduced because of the mercantilist accumulation strategy (1980: 226).
8. This argument obviously requires extensive elaboration; however, as it is not crucial to the main thrust of the thesis, these brief remarks will suffice.
9. It should also be noted that the adoption of Keynesianism (as well as other aspects of the post-war settlement) were being advocated within the state (Wolfe, 1980: Chapter V; Granatstein: Chapter 7). Although Keynesianism was prompted by working class pressure, it was a strategy designed to accommodate the working class within the overall framework of capitalist relations of production. Indeed, as Keynesianism draws attention away from the price system and towards investment, capital benefits through the

state's efforts to secure favourable investment conditions. As Kalecki noted, however, the bourgeoisie is not entirely happy about the strength of the working class brought about by full employment (Kalecki, 1943).

10. A fuller analysis, as suggested in Chapter I, would examine
 - 1) how these historical forces were institutionally constituted in the various state apparatuses involved in the decisions behind the adoption of Keynesianism, and
 - 2) the process of bargaining behind the particular outcomes.
11. The following relies on Wolfe (1978) and Pentland (1968). For a more general overview of the period see Creighton (1976).
12. The following discussion of the pre-war period is based on Woods (1973), Pentland (1968; 1979), Lipton (1967), Jamieson (1968), Morton (1977), Logan (1928; 1948), Levant (1977), Ferns and Ostry (1976), Whitaker (1977) and Craven (1979).
13. See Lipton (1967: Chapter 2) and Logan (1948: Chapter 1).
14. The reason these were ineffectual was that voluntary consent to conciliation was required from both parties, and employers, being in a far stronger position, were not particularly enthusiastic.
15. Panitch has argued that during this period "the foundations of Canada's highly formalized and legally structured system of collective bargaining were laid. The state in this decade marked out for itself a major role in the investigation and settlement of industrial disputes" (1979a: 60).
16. See Levant (Chapter III). In return for a no-strike pledge the government made some concessions to organized labour, notably nominating labour representatives to various administrative boards. This status was not continued past the end of the war.
17. For a more extensive discussion see Abella (1973) and Logan (1948).
18. See Macdowell (1978), Abella (1973), Jamieson (1968) and Lipton (1967).
19. See Hanson (1979). The following discussion is based on Hanson's work, and all information is from that source unless otherwise noted. Only direct quotes from Hanson are noted.

20. The Economic Advisory Committee was organized informally by the Department of Finance to coordinate government economic policy. The Deputy Ministers of "most of the major departments" were represented. The Labour Department joined in 1940 (Hanson: 4).
21. The CCL's president, Mosher, privately supported the measures.
22. While the CCL stood publicly opposed to the wage policies, the executive council was privately supportive. Indeed, the CCL council expressly ordered C.S. Jackson (a communist representative of the United Electrical Workers) not to criticize PC 7440. When he did (along with starting a shop stewards' council) he was expelled (Abella: 68-69).
23. In 1942 strikes involved 114,000; in 1943, 218,000 were involved in strikes. By contrast, in 1944 - after PC 1003 was passed - those involved in strikes dropped to 75,000 (Appendix 1: Table 2).
24. The family allowance plan was proposed by Clark, Deputy Minister of Finance.
25. Mitchell was a 'labour representative' in the literal sense - he was a conservative unionist appointed to the cabinet by King. However, his past did not prevent organized labour from vociferously demanding his resignation on many occasions.
26. See Woods (1973: 93).
27. See Woods (1973: 96-98).
28. However, by the end of the period several provinces began introducing changes which Pentland characterized as 'repressive' (1968: 325-42).
29. See Horowitz (1968) and Abella (1973). The CLC was involved in the founding of the NDP.
30. C.F. Kwavnick's description of the CLC's influence on policy-making with respect to the Department of Labour:
 The informal working relationship which the Congress develops with the minister of labour and the officials of his department means that the Congress enjoys far greater and more effective access to the Department of Labour than to any other department of government. Thus, the Congress is able to exert a great

deal of influence upon the day-to-day work of the Department of Labour. Influence, in such cases, is not the result of political pressure but is a consequence of familiarity. For the minister and his officials the limits of discretion are set by established government policy, and as long as the wishes of the Congress do not involve a transgression of those limits, the wishes of the Congress are often deferred to (Kwavnick: 140).

31. Although the definition is 'state-imposed', it is clear that it emanates from the class struggle as reflected through the institutions of the state.
32. This account is taken from Kwavnick (145-46) and Lipton (276-84).
33. See Lipton (Chapter 4) for a discussion of other instances.
34. For the history of this dispute see Kwavnick (51-61).

CHAPTER III

CONFLICT, CONSENSUS MECHANISMS AND INCOMES POLICIES: ORGANIZED LABOUR AND THE STATE, 1960-1975

The purpose of this chapter is to trace the changing role of the state in terms of political representation and intervention during the period from 1960 to 1975. In terms of the logico-historical model outlined in Chapter I, this period can be considered as a period of transition between the monopoly and advanced phase of capitalism. Thus, it would be expected that, in the realm of political representation, there would be some movement toward corporatism; and it would also be expected that, in the realm of state intervention, there would be some movement toward 'planning' (ie. direct intervention). However, as these 'movements' are only tendential, it is necessary to pay attention to 1) how the institutional configuration of the Canadian social formation impeded or facilitated these movements, and 2) how the outcome of particular events were determined by the bargaining and conflict between groups. As in the previous chapter, state economic and industrial relations policies, and developments in the labour movement are the central themes. However, another characteristic of this period is important - the outburst of industrial militancy in the mid-sixties. It will be suggested here that, just as labour militancy had important effects on the economic and industrial relations policies pursued by the state during the

war, the labour militancy of the 1960's played a significant role during the period considered here.

In Section 1, the 'crisis in industrial relations' of the 1960's will be briefly examined and related to the post-war settlement, that is, to the economic and industrial relations policies of the state which emerged during and immediately after the Second World War. The purpose of this section is to indicate the growing instability of the post-war settlement.

The following three sections will examine several of the 'effects' of the industrial relations crises. Section 2 will briefly outline the changes in federal industrial relations policy from the mid-sixties to the mid-seventies, focusing in particular on the Wood's Task Force Report (Task Force on Labour Relations, 1968) and the formation of the tripartite Canada Labour Relations Council (CLRC). Section 3 will outline federal economic policy during the 1960's and early 1970's, focusing in particular on the formation of 'consensus mechanisms' and the topic of incomes policies. Section 4 will examine developments in the CLC, with particular reference to the CLC's role vis-à-vis the state during this period and the internal conflicts and divisions which characterized the movement during these years.

1. The 'Crisis' in Industrial Relations

The quiescence of labour relations in the 1950's stands in stark contrast to the turbulent climate of the 1960's, for this latter period was marked by an eruption of labour unrest for which there were few parallels in Canadian history. It is generally acknowledged that the wave of labour unrest of the 1960's is only comparable, in its intensity and breadth, to two prior periods - the 1917-20 and 1943-7 periods (Jamieson, 1968: 452).¹ The most obvious similarity between the periods lies in the level of industrial militancy: between 1960 and 1966 the annual number of strikes and lockouts increased from 274 to 617, the number of workers involved jumped from 49,408 to 411,459, and worker-days lost due to strikes and lockouts rose from 738,700 to 5,178,170 (Appendix 1: Table 2). However, these statistical indications of aggregate working class unrest only demonstrate a superficial similarity between this period and the two earlier waves. Most contemporary observers were quick to argue that several characteristics distinguished the 1960's experience from the earlier ones.

Crispo and Arthurs have pointed to two general characteristics of the unrest of the 1960's:

... much of this unrest is characterized by militancy that is less the product of labour leadership than the spontaneous outbreak of the rank-and-file restlessness.

And:

The second feature which is worthy of note is the increased lengths to which the labour movement appears willing to go in defiance of law and order (Crispo and Arthurs: 238-39).

2 In addition to these general characteristics the following specific aspects may be noted:² the high priority given wage demands and demands for protection against technological change over the traditional issues of union recognition and job security; the frequent wildcat strikes (in 1965 and 1966 the proportion of wildcats were respectively, 21 per cent and 33 per cent); the unusual number of cases where the rank-and-file refused to ratify collective agreements over the recommendations of union leaders; the 'unseating' of long-term union leaders; the growing tendency to ignore injunctions against picketing - not infrequently condoned by union officials; an increase in 'violence and illegality' (involving physical violence, intimidation, etc.);³ and an abnormal degree of tension and conflict within organized labour, evidenced by an unusual amount of raiding and breakaways.

Many factors have been cited as 'causes' of the widespread unrest, some related to the economic climate and some related to the industrial relations system (including the internal problems of the union movement). These would include:⁴ the impetus to wage demands stemming from both the rising inflation of the period (from 0.9 per cent in 1961 to 3.7 per cent in 1966) and the relative decline in living standards caused by the serious recession of 1957-61; the wage demonstration effect due to monetary increases won by construction workers and by the 'Pearson formula' (ie. the large wage

concessions made to longshoremen, postal workers and other public sector groups to settle high profile disputes or prevent disruptions of 'essential services'); the low unemployment of the period (which hovered around 4 percent in the mid-1960's) which, in most cases, increases the bargaining power of the working class by reducing concern over the potential loss of livelihood;⁵ the increasing concern of union members over technological job displacement; the rigidity of collective agreements in the face of rapidly changing working conditions (exacerbated by a tendency toward longer contract terms); the growing frustrations over lengthening delays in union-management dispute settlement procedures (due to the increasing centralization of authority in both unions and management); the increasing gap between union leaders and members due to communications problems brought on by the absolute growth of unions; and the (resurfacing of) internal tension and conflict within and between unions.

While these factors played a significant role in the industrial unrest of the period, it is necessary to underline that several of the more important ones are indicative of a major difference between the role of the state during these years and its role during the previous periods of working class unrest. In other words, although the symptoms of the industrial relations crisis of the 1960's were broadly similar to those of the two previous periods,⁶ the economic and industrial

relations policies of the state were different. Thus the remainder of this section will outline the manner in which the post-war policy agenda of the state affected labour relations in the 1960's. The argument will not be that the state alone caused the industrial relations crisis, but that the policies pursued by the state at once contributed to the crisis and prevented its resolution in the traditional manner.

It is first necessary to draw attention to a fundamental alteration of the state's economic management role. The non-interventionism of the pre-war era had given way to an 'indirectly' interventionist orientation. While economic planning per se was not yet on the agenda, the federal government, since the publication of the 1945 White Paper, had been developing and employing the tools of Keynesian fiscal and monetary policy in an effort to promote full employment. Although, as noted in the previous chapter, the Canadian state's 'commitment' to full employment was less than it might have been, it seems that by the early 1960's it had become a conscious goal (Doern, 1979: 79; Wolfe, 1977: 258-60). And between 1962 and 1966 the state generally pursued an expansionary policy aimed at growth and employment. Thus the full employment of the mid-sixties was based in (or at least bolstered by) a conscious commitment by the state, a factor which differentiates the 1960's experience from the two previous periods of industrial unrest; for the full employment of both of those periods was related to the

conditions of war-time or immediate post-war prosperity, not a policy commitment of the state.

In terms of the industrial relations crisis, then, the commitment to full employment had the effect of strengthening the working class' bargaining position by lessening the economic repercussions of militancy. However, the state's post-war industrial relations policies also had an effect on the crisis, for full employment alone would probably not have produced the degree of tension and conflict which characterized the period.

It is important to recall that the industrial relations system had been profoundly altered by the concessions won by the working class during and immediately after World War II.⁷ Several aspects of state industrial relations policy are pertinent here. The post-war labour legislation which entrenched the right of recognition in the state-sanctioned system of certification operated to remove the recognition issue 'from the table', thus increasing the relative importance of monetary and working-conditions issues. Therefore the increased legitimacy of unions attained through the state's active involvement in constituting the organizations of the working class resulted in a shift in bargaining objectives. However the concession of legitimacy was won at a 'cost' - the codification and enforcement of a complex of rules, requirements and procedures defining labour-capital relations at the level of collective bargaining. The effect of this was to heighten

the degree to which union leaders were compelled to enforce the procedures with respect to their own members. In practice, this meant that union leaders advocated and enforced a strict adherence to labour codes, which resulted in a build-up of tensions both between unions and management and between union leaders and the rank-and-file.⁸ Thus, to the extent that the unrest of the rank-and-file which characterized this period was due to the frustrations with collective bargaining procedures,⁹ the state's industrial relations policies were an underlying, if unperceived, source of discontent. As Ed Finn noted at the time:

What we have been witnessing in the labour unrest that has erupted in the past year, especially in the railway industry, is a revolt against the restrictions and complexity of modern labour-management relations. It is a frenzied hacking at the bureaucratic maze by workers who have lost faith in the traditional forms of union democracy.

The same syndrome can be detected among workers in other industries characterized by big unions, big companies, and industry-wide bargaining. Wildcat strikes, defiance of elected leaders, and rejection of contract terms by their negotiators are by no means confined to the railway industry (Finn, 1967: 6).

The factors just cited relate to the broad policies of the state which had evolved since the Second World War. But in addition, several policies specific to the 1960's served to exacerbate these problems. A particularly important one was the treatment of public sector employees.¹⁰ Several prominent strikes of public or quasi-public workers occurred in this

period - postal workers in 1965, Quebec liquor board employees in 1964-65, British Columbia oil refinery workers in 1965, Montreal longshoremen in 1966, and railway workers in 1966 - in which the state chose to intervene 'in the public interest' (Jamieson, 1968: Chapter VIII). In many of these cases the government appeared to 'buy' labour peace (or impose it through back to work legislation, usually coupled with a fairly generous settlement) leaving the impression of government intervention based on expediency, a factor which obviously had an effect on the demands of other groups of workers (Crispo and Arthurs: 249). Finally, the role of the judiciary - particularly with respect to their seemingly eager willingness to grant injunctions against picketing - played a role in creating tensions in industrial relations. Crispo and Arthurs quote one judicial statement which, although exceptional for its lack of subtlety, was reflective of prevailing attitudes:

Therefore, the right, if there be such a right, of the [union] to engage in secondary picketing of the ... premises must give way to the ... right to trade; the former, assuming it to be a legal right, is exercised for the benefit of a particular class only, while the latter is a right far more fundamental and of far greater importance, in my view, as one which in its exercise affects and is for the benefit of the community at large (Crispo and Arthurs: 259).

In sum, it has been suggested that the industrial relations crisis, although not entirely prompted by the actions of the state, was profoundly affected by the configuration of economic and industrial relations policies associated with the

post-war settlement. Implicit in this formulation is that many of the seemingly unrelated 'causes' cited by Jamieson, Crispo and Arthurs, and Finn can be partially related within the context of the role of the state. The significance of the industrial relations crisis, then, is that it signalled the growing instability of the post-war settlement.

The following three sections will deal with the 'effects' of the industrial relations crisis. Section 2 will outline several aspects of industrial relations policy; Section 3 will deal with state economic policy; and Section 4 will examine developments in the CLC.

2. Labour Militancy, the Task Force on Labour Relations and the CLRC

As a result of the "crisis of confidence in the present industrial relations system" (TFLR, 1968: 3), the federal government, in the fall of 1966, appointed the Task Force on Labour Relations to investigate the bases of the industrial relations crisis and to make recommendations concerning labour policy. The Task Force undertook a massive research programme and engaged in extensive consultations with business groups, organized labour and others before submitting its final report in December 1968. While a detailed review of the Report is beyond the scope of this work, it will be useful to draw attention to several of its recommendations. Following this, the resulting changes in federal industrial relations policy

will be noted. Finally, the section will conclude with a brief discussion of the formation of the Canada Labour Relations Council in 1975.

The Task Force recommended many changes to federal labour legislation, including, for example: the extension of the right to unionization to several groups not already covered (professionals, supervisory and junior managerial employees, etc.); changes in certification and decertification procedures; the introduction of strike balloting regulations; more flexible conciliation and mediation procedures; better protection against unfair labour practices; the creation of an independent Public Interest Disputes Commission; and some measures to protect workers from the adverse effect of technological change. Beyond this type of proposal, however, the Task Force made many broader recommendations, observations and 'suggestions' in other areas, four of which will be noted here: the structure of the labour movement; the structure of the collective bargaining system; collective bargaining and inflation; and the need for more direct input from labour and business into industrial relations policy.

After noting the many conflicts and differences within the labour movement, the Task Force argued that the decentralized and fragmented structure of the movement gave rise to a considerable degree of inter-union rivalry, which in turn had a deleterious effect on industrial relations. Although not

recommending legislation to restructure the labour movement,¹¹
it was suggested that structural reform would prove beneficial:

Since many of these problems [ie. work stoppages caused by inter-union conflict] result from deficiencies in the structure of the labour movement, unions could do much to forestall further government intervention in these areas. Structural reforms in the labour movement would serve many other purposes as well. The number of unions now in existence could be reduced in order to permit a smaller number of consolidated unions to hire more qualified staffs to assist in bargaining. Mergers or increased cooperation among unions would also be beneficial (TFLR: 106).

In addition to the considerations on the structure of the movement, it was suggested that conflict within individual unions could be reduced through a centralization of decision-making power, specifically by giving negotiating committees more power.

The structure of collective bargaining was also of concern to the Task Force. Despite frequent references to the importance of 'allowing industrial relationships to find their own level', they appeared to favour centralization, or, at least, 'rationalization'. The prime concern here was that the balkanized structure of collective bargaining gave rise to an undue level of conflict and was contributing to inflation through leap-frogging. Thus the Task Force recommended that the Canada Labour Relations Board have power to:

join existing units in one certificate, to order joint bargaining where more than two unions or two employers are involved, and to take other steps it considers appropriate to bring the legal determination of units into line with a natural determination of the bargaining structure (TFLR: 164).

The Task Force also considered the question of the impact of collective bargaining on the 'trade-off between full employment and stable prices'. After a fairly extensive analysis of collective bargaining and inflation, they concluded that "as a cause of inflation, collective bargaining is only one of many institutional pressures that make it more difficult to maintain reasonable price stability while ensuring a high level of employment" (TFLR: 82). Thus both direct wage and price controls and a voluntary incomes policy were rejected as inappropriate.¹² Instead, the creation of an Incomes and Costs Research Board (as an educational and advisory agency) was recommended.

Finally, the Task Force recommended the formation of a Canadian Industrial Relations Council to act in an advisory capacity vis-à-vis the federal Department of Labour. The Council was to be independent of the Department and its members were to be drawn from organized labour, business and the 'public'. Although the Council was to be accorded few specific powers, it "would be able, on its own initiative or on the request of the Department, to examine all manner of industrial relations issues and to offer its advice and counsel, especially on proposed policy and program changes" (TFLR: 214).

Before turning to the effect of the Woods Task Force Report, several broad implications of their study should be mentioned. First, as evidenced by the aspects of the Report

dealt with above, it clearly reflected the view that conflict between labour and capital, although hardly irradicable, should be controlled as much as possible. Industrial militancy, and especially actions outside the law or spontaneous rank-and-file activity, was viewed as illegitimate and the recommendations were oriented toward reducing and managing these more overt expressions of class conflict.

Second, the Task Force recognized the increased strength of organized labour in the context of full employment (and hence the instability of the post-war settlement): "During periods of full employment, a tight labour market greatly enhances union bargaining power. When jobs are so plentiful that striking workers can readily secure employment elsewhere, the cost of striking is minimal to the worker" (101). And:

Militant behaviour has paid off frequently in recent years, even where union membership militancy has taken illegal forms. It is one thing to extract further concessions by refusing to ratify a collective agreement; it is another to serve that purpose by striking unlawfully. In either event, however, the danger for collective bargaining is the same. Once having tasted the fruits of their militancy, union members may find it irresistible to display that militancy again (101).

Thus, although favouring the pursuit of full employment at the expense of suffering some price instability (188), the Task Force emphasized "the need for organized labour more effectively to reconcile its relatively selfish pursuits at the bargaining table with its highly socially conscious pronouncements on a host of public issues" (158).

Third, the Task Force's recommendations, in total, suggested a new role for the state. Despite their oft-expressed concern to limit state intervention,¹³ the clear thrust of the Report was that labour-capital relations, and especially the collective bargaining system, was in need of a drastic overhaul. The need for the state to promote centralization of bargaining and of authority in the union movement, 'rationalization', and "more emphasis ... on the prevention of disputes and the long-run improvement of relationships" (201), seemed to point out the necessity of a shift from the indirectly interventionist policy orientation to a more direct orientation.

The CLC's response to the Report was ambivalent. Predictably, it leveled criticism at those recommendations which entailed state involvement in the internal affairs of the labour movement (eg. the recommendations concerning strike vote procedures) and supported the recommendations which would have benefited trade unions (eg. the recommendations that the right to unionization be extended and the proposed tightening of unfair labour practices provisions). The federal government responded with the promise to study the Report and to revamp the Industrial Relations and Disputes Investigation Act (Labour Gazette 69: 6).

Eventually, in 1972, the IRDI Act was replaced with a new Act - the Canada Labour Code - which embodied several of the Task Force's recommendations, including: more flexible

procedures for dispute settlement; provisions for pre-notification of planned technological change;¹⁴ extension of bargaining rights to certain groups; and a reconstituted Canada Labour Relations Board (Labour Gazette 71:9). Overall, however, many of the sweeping changes proposed by the Task Force were - for the moment - ignored.

In late 1974 the Department of Labour engaged in an extensive internal policy review, an exercise which resulted in a reconsideration of industrial relations policy, and in the structure of the Department itself. It may be suggested here that this exercise was prompted by the fresh outburst of labour militancy which began in 1972. When the Woods Task Force had been constituted in 1966, labour unrest had been at an all-time high (see Section 1). However, unbeknownst to the government, the militancy of 1966 represented a (temporary) peak: in 1967 and 1968 the number of strikes and lockouts, the number of workers involved, and worker-days lost due to industrial disputes fell off. From 1969 to 1974, and especially after 1971, labour militancy began to increase once more, such that by 1974 there were over 1,218,000 workers involved in strikes and lockouts, and over 9.2 million worker-days lost (See Appendix 1: Table 2). It is therefore not unreasonable to suppose that the seemingly unenthusiastic response to the Woods Task Force Report, and the reconsideration of labour policy in 1974 (and the initiatives which stemmed from it), were related to the changing levels of labour militancy.

Arising from the 1974 policy review was the decision to form the tripartite Canada Labour Relations Council (CLRC), the announcement of which was made by John Munro, the federal Minister of Labour, in July 1975.¹⁵ Although somewhat similar to the Canadian Industrial Relations Council proposed by the Woods Task Force, the CLRC differed in two quite important respects. First, it included state officials (with the Minister of Labour as the chair) rather than members of the public; and second, its role went beyond the advisory status suggested by the Task Force.

Despite these differences, however, the same concerns underlay the creation of the CLRC as had motivated the Task Force's proposal. John Munro, when outlining the CLRC, pointed to several conflictual elements of the industrial relations system which were causing concern to the state: numerous work stoppages in the public sector; the increasing intervention of the state in collective bargaining; the rapidly expanding number of strikes; violence and illegal strikes; and the fragmented nature of the collective bargaining system (Munro, 1975: 2-3). In addition, "Munro argued that the work of the Council could ultimately lead to the establishment of a national tripartite incomes policy for Canada" (Panitch, 1979a: 74).

The members of the CLRC¹⁶ concentrated their activities in several areas:¹⁷ 'rationalization' of the collective

bargaining process; the establishment of an organization to collect and provide a (supposedly 'neutral') data base for collective bargaining; broader-based bargaining; codetermination; and the improvement of the Department of Labour's arbitration services. Apparently the Council never formally discussed the question of a 'national tripartite incomes policy'; however the view of the Labour Minister, and that of some of his officials, was that if the Council proved successful on the issues with which they first dealt, there was a possibility of raising the question of an incomes policy at a later date.

As the Council only met four times (in July, October and December 1975 and in February 1976), not a great deal of progress was made on all the issues which were discussed. Progress was made on the establishment of a Collective Bargaining Information Centre (terms of reference were agreed to and the Council decided to recommend to the government that the Centre be established). It was also agreed that attempts be made to approach organized labour and management in the air transportation industry, the Great Lakes shipping area, the St. Lawrence Seaway system and the meatpacking industry to begin discussions on broader-based bargaining. And a study was undertaken to review Canadian experiments to improve 'workplace relations'. Discussion of other issues was ended when the labour representatives withdrew on 23 March 1976 (as a tactic in the fight against wage controls).¹⁸

The premature demise of the CLRC prevents the drawing of any hard and fast conclusions concerning state industrial relations policy during the period considered in this section. However, the fact of the Council itself (ie. the formation of a tripartite body with not insubstantial input into industrial relations policy), indicates that the need for corporatist-type structures of representation was being felt.¹⁹ Moreover, this was related to the acknowledged instability of the post-war settlement (evidenced by the industrial militancy of the mid-sixties and seventies) and to the types of policies proposed to cope with industrial relations. Finally, the types of policies advanced by the Woods Task Force and dealt with in the CLRC may be differentiated from the policies of the state in the immediate post-war era: centralization, rationalization, and increased involvement of organized labour (and business) in industrial relations policy formulation and administration are more characteristic of the direct mode of intervention (ie. planning) than were the relatively indirect policies pursued prior to the mid-sixties. In sum, the progression of industrial relations policy in the 1960's and early 1970's seemed to evidence a movement toward the corporatist mode of political representation and the planning mode of state intervention.

3. From Keynes to Controls: Conflict, Consensus and
Incomes Policies, 1960-1975

This section traces the state's role in economic policy between 1960 and 1975, with particular reference to the development of incomes policies and consensus mechanisms. In terms of the logico-historical model outlined in Chapter I, it would be expected that, as a response to the instability of the post-war settlement, there would be a movement away from the indirect mode of state intervention (ie. Keynesianism in economic policy) toward the direct mode (ie. 'planning'); and, in the realm of political representation, it would be expected that there would be a movement toward the corporatist mode. Thus the events considered in this section will be interpreted in the context of these tendential movements. Much more important, however, are the factors which impelled the changes and those which shaped the outcomes; for it is through a consideration of the specifically Canadian experience that an appreciation of the likelihood of 'corporatism/planning' in Canada can be gained. The section will deal first with the various consensus-formation bodies created in the early 1960's, and will then turn to the question of incomes policies.

In 1961 the Conservative government of John Diefenbaker set up the National Productivity Council (NPC), the role of which was to "facilitate enhancement in productivity as part of a strategy to improve Canada's competitive position in the realm of international trade" (Phidd and Doern, 1978: 472). Although the NPC was not strictly tripartite (it included some

academic representatives in addition to the representatives of labour and capital), it was the first representative body created by the state to deal with peace-time economic policy.²⁰ The NPC's main orientation was consensus formation concerning issues which impinged upon labour-management relations. Committees were established to deal with "labour-management co-operation, Work Study and Management Techniques, Training and Retraining, Economic, Industrial and Productivity Studies and Surveys, Dissemination of Information, and Matching Grants" (Phidd and Doern: 474). In addition, before the NPC was absorbed into the Economic Council of Canada it was preparing to initiate research in broader fields - rationalization of industry and combines legislations, industrial research and product specialization, automation, employment, wages and prices policies and other fields. The NPC also sponsored a mission to Europe (including labour, management, government and academic representatives) which "was impressed by the degree of consultation and co-operation which had developed in Europe and recommended further reform in those areas in Canada" (Phidd and Doern: 473).²¹

It is also necessary to point out that organized labour was not particularly enthusiastic about the NPC, in large part because of its emphasis on what were perceived to be mainly management concerns. This dissatisfaction eventually resulted in the resignation of Claude Jodoin (the then president of the CLC) from the NPC.

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The important point concerning the NPC was that its creation reflected both the state's growing intervention in the economy and the corresponding concern that the forms of intervention being contemplated (ie. industrial policies, incomes policies, 'rationalization', promotion of specialization, manpower policies, etc.) would necessitate a greater degree of 'consultation and consensus' with those producer groups directly concerned, that is, organized labour and capital. As Phidd and Doern have noted:

The National Productivity Council ... reflected institutionally a concern for the public sector-private sector dimensions of detailed economic management. In real terms it presented an effort to help plan industrial-sector productivity without calling it "planning" (52).

An equally important point is that the specific concern with productivity reflected a realization that the attainment of full employment and relative price stability required increases in productivity of sufficient magnitude to offset rising wages.

In 1962 the Conservatives put forward another initiative - the creation of a National Economic Development Board. Although the electoral defeat visited upon the government pre-empted this initiative, it was soon reborn in the form of the Economic Council of Canada.²² On the occasion of the Council's first meeting on 14 January 1964, the then-Secretary of State, Maurice Lamontagne, said:

... we need to plan together to make sure that the private sector can work in the same direction as the government, and that the various segments of economic policy will be well coordinated (Phidd: 434).

The Council was established to perform three related tasks: economic research, policy advice, and consensus formation (Phidd: 430). As to the latter, it has been suggested that: "At the time was a popularly held view that an efficient economy was due to the existence of a consensus between the public and private sectors.... In short, economic planning was synonymous with the building of a consensus on socio-economic policies" (Phidd: 439).

Although 'economic planning' was therefore implicit in its origins, the Council has never played a major role in this area. In this regard, as well as in relation to the other purposes of the Council, Leo Panitch's evaluation is instructive:

... The Council has not been so involved, nor has the Canadian state engaged in formalized economic planning even of the indicative kind. The Council has played, at the government's behest, an entirely advisory, research-oriented role, rather than a policy-making one. As such it has not served to bring organized functional interests into policy-making, nor to commit them to administering public policy over their respective members. Nor has it much facilitated "consensus-building" among them except in the vaguest sense (1979: 68).

The Council was not tripartite (although it included representatives of both capital and labour, other sectoral representatives were included and government was not); it was not an exercise in economic planning; nor had it a powerful voice in economic

policy formulation. However, its establishment serves to underline the changes in the state which were beginning to occur in this period.

While a full-blown system of economic planning did not, therefore, appear on the policy agenda in the 1960's, the question of incomes policies began to generate some interest. The remainder of this section will trace this topic from the early sixties to the imposition of mandatory wage and price controls in October 1975.

The first apparent interest in incomes policies in Canada seems to have been sparked by two papers published by the Organization for Economic Cooperation and Development in the early 1960's (Fellner, 1961; OECD, 1962), both of which advocated the use of incomes policies. The 1962 report, Policies for Price Stability, advanced the following definition of an incomes policy:

What is meant by an incomes policy ... is that the authorities should have a view about the kind of evaluation of incomes which is consistent with their economic objectives, and in particular with price stability; that they should seek to promote public agreement on the principles which should guide to growth incomes; and that they should try to induce people voluntarily to follow this guidance (OECD, 1962: 23).

The logic behind proposals for incomes policies is rooted in the perceived inability of Keynesian policy to resolve the unemployment/inflation trade-off.²³ That is, it is thought that the stimulation of aggregate demand to promote

growth and employment will lead to a rise in prices ; and that the deflation of the economy to achieve price stability will slow growth and reduce employment. In the context of the post-war settlement - ie. the commitment to full employment and the resultant strengthening of organized labour - price stability can only be achieved through the restraint of incomes (primarily wages). It is therefore desirable to gain the consent of organized labour and capital to an incomes policy (it is necessary to gain the latter's consent since prices and/or profits must appear to be controlled in order to even hope for organized labour's cooperation).

In Canada²⁴ an investigation of the inflation/unemployment dilemma and the issue of incomes policies was being planned by the NPC before it was folded in the Economic Council of Canada (Phidd and Doern: 474). The 1961-64 Royal Commission on Banking and Finance (the Porter Commission) studied the question of the inflation/unemployment trade-off and concluded "that an incomes policy was not appropriate for Canada at that time, but recommended that it be studied further by the newly formed Economic Council of Canada" (in AIB, 1979: 6). In 1965 the Council, when asked by the government to investigate incomes policies, undertook a study and eventually recommended against the adoption of such a policy for Canada (Economic Council of Canada, 1966).²⁵ At around this time several state officials (the Governor of the Bank of Canada, the Deputy-Minister of

Finance, and the Minister of Finance) were beginning to express the opinion that some new economic policies were needed" (Olsen, 1980: 103). It should also be noted that at its 1966 convention, the CLC declared itself against wage restraint, and several labour leaders, including Donald Macdonald (CLC president), George Burt (UAW) and Stan Little (CUPE), reiterated that position again in 1967 (in response to comments by Mitchell Sharp, the federal Minister of Finance) (Labour Gazette 68:1).

These events occurred in the context of a rising inflation rate and full employment. Between 1962 and 1966 the state pursued expansionary fiscal and monetary policies aimed explicitly at the promotion of growth and employment, a policy which clearly contributed to the wage militancy characteristic of the period. In response to the increasing inflation rate (which rose from 0.9 per cent in 1961 to 3.7 per cent in 1966) the economy was slightly deflated in 1966-67. The results of this action crystallized the awareness that the Keynesian 'solution' was insufficient and provided the impetus to the formation of the Prices and Incomes Commission.

Although the deflation of 1966-67 prompted a minor recession in 1967 which increased unemployment, the rate of inflation was not significantly affected (AIB, 1979: 7). In response to this failure in traditional policies, a new view of inflation was adopted by economic policy-makers - that this

inflation was of the 'cost-push' variant (understood either as built-in 'expectations' and/or the relative isolation of some industries and unions from 'market pressures') rather than 'demand-pull'. It is also important to note that throughout this period a profit squeeze was occurring (Panitch, 1979a: 70) - from 1963 to 1967 the share of national income going to wages and salaries rose from 69.0 per cent to 72.7 per cent (Appendix 1: Table 1). In 1968 another OECD paper raised the question of the need for an incomes policy for Canada:

Canada's price/wage performance in full employment conditions suggests that there is a need for some sort of incomes policy. There are indications ... that incomes policy in some countries is beginning to play a useful role. The approach varies from country to country depending upon a number of factors, notably institutional arrangements and the structure, comprehensiveness and attitudes of trade unions and employers' associations. The decentralized character of the Canadian economy may render the evolution of an incomes policy more difficult than in many European countries, but this may not be a reason for dispensing altogether with efforts in this direction (AIB, 1979: 7-8).

In 1968 an interdepartmental committee of senior federal civil servants²⁶ was established to "examine possible courses of action to deal with inflation (Haythorne, 1973: 487).²⁷ In September Prime Minister Trudeau and a small number of other Ministers and senior officials met privately with organized labour (the CLC and CSN) and business (the Canadian Manufacturers Association and the Chamber of Commerce) to discuss inflation. In December the White Paper, Policies for

Price Stability was tabled by the Minister of Consumer and Corporate Affairs, Ron Basford. The paper analyzed the inflation/unemployment tradeoff, "frankly acknowledged that fiscal and monetary measures alone had been insufficient to restore stability in the economy" (Haythorne: 488), and announced the impending formation of the Prices and Incomes Commission (PIC). Before outlining the experience with the PIC, it is important to stress the context in which the first incomes policy proposal was advanced.

The PIC was not launched simply to deal with the inflation/unemployment dilemma. As noted previously, the commitment of the Canadian state to full employment was more tenuous than that of other capitalist nation-states which adopted Keynesian economic policy techniques. Indeed, unemployment had been allowed to hover around the 7 per cent level in the 1957-61 recession; and when the rate of inflation was thought to have been growing too fast (in 1965-66) the government deflated the economy allowing unemployment to rise. It was the failure of this action coupled with a commitment to avoid excessive unemployment which prompted the formation of the PIC.

Early in 1969, and before the PIC was officially constituted, more discussions were held with representatives of organized labour and business, from which two main conclusions emerged: "first, that there was broad agreement that other

steps, in addition to fiscal and monetary measures, were now needed to check inflation; and second, that there was an active and widespread interest in exploring such steps" (Haythorne: 488). The Commissioners of the PIC were formally appointed in June 1969 and the Commission began operations on 2 July.

The PIC was given several tasks: to research the question of inflation; to consult with the major functional economic groups; to formulate policy recommendations; and to 'mobilize consensus'.²⁸ As was stated in the White Paper, this last task implied that it would

be necessary for the Commission to win the continuing acceptance and co-operation of major interest groups - management in industry, and commerce, trade unions, agriculture, and other organizations. It can win this support only by maintaining close consultation with such groups on a regular basis (Phidd and Doern: 484).

The Commission began the consultative process almost immediately, meeting in July with representatives of business, organized labour and governments.²⁹ On 6 August the PIC issued a news release outlining a proposal to attain voluntary consent to an incomes policy. It was proposed that a conference be held in December, to be attended by individuals from business, labour and governments (all acting in a representative capacity) at which an agreement would be sought on limiting wages and salaries, professional incomes, profits, rental and investment incomes, and taxes. It should be emphasized that restraint would only have been 'voluntary' to

the point where an agreement was reached: "If such an agreement is ratified a formula will be sought on methods and procedures for dealing with instances of price and income increases contrary to the spirit of the agreement" (Berger, 1973: 5).³⁰ The CLC responded cautiously to the announcement, adopting a "wait-and-see attitude" (Berger: 5).

On 13 August the Commission met with representatives from the major groups, some of whom expressed hesitation over committing themselves to a programme of self-restraint since such a commitment would have implied an admission of responsibility for inflation (AIB, 1979: 11). After a series of individual meetings with the various groups, the Commission convened another large meeting on 12 September. At this meeting the representatives of organized labour began to show reluctance to accept the policy as they felt that unions were being blamed for inflation and that 'voluntary restraint of incomes' would, in practice, mean wage restraint.

On 17 October, following further discussions, organized labour scuttled the process by withdrawing from the consultations. The CLC and the CSN, in an unusual display of unanimity, issued a joint press release rejecting the proposed restraint programme and advocating a two-year price freeze (Berger: 10-11). Organized labour's objection to the programme stemmed from their belief that the programme would be inequitable:

We reject outright the idea that voluntary guidelines can cope effectively with the current inflation. This is a highly over-

simplified approach to a very complicated problem ... For guidelines, or an incomes policy to be at all fair it would require all non-wage and salary forms of income, including profits, rents, interest, professional fees, unincorporated business income, speculation in real estate prices, and so on, to be effectively restrained. We do not believe that it is at all possible to bring many of these forms of income under a meaningful policy of voluntary restraint (in Wolfe, 1977: 264).

Following organized labour's withdrawal the PIC turned its attention to the pursuit of price restraint. In February 1970 the National Conference on Price Stability was convened, at which the Canadian Manufacturers Association, The Canadian Chamber of Commerce, the Canadian Bankers Association and the Retail Council of Canada agreed to temporarily restrain prices by not passing through all cost increases. Organized labour was then reapproached and again refused to participate, a decision which was hardened by the Commission's unilateral wage guideline proposal in June. In December the groups which had committed themselves to voluntary restraint refused to extend their commitment, and the search for a voluntary incomes policy came to an end.

Before discussing the implication of these events, several interesting aspects of the PIC's last years of life and final report and recommendations should be noted. Following the failure of the voluntary restraint exercise the PIC turned its attention to research and to the development of a contingency plan for the implementation of a mandatory controls programme.

The research led to the conclusion that mandatory controls would be necessary to combat inflation (Phidd and Doern: 485), a conclusion based on the 'expectations' theory of inflation.³¹ In addition, a detailed contingency plan for the institution of a mandatory wage and price controls programme was developed. The plan included "work on systems, procedures, organization, public information, staff training" and even an estimate that staff requirements would be 1,200 people (AIB, 1979a: 17). In September 1972, after the demise of the PIC, the Special Studies Group (later renamed the Prices Group) was established in the Department of Consumer and Corporate Affairs to continue research on inflation and incomes policies and the development of the increasingly detailed contingency plan.

It is necessary to draw attention to two general implications of these events - the implication of the creation of the PIC and that of organized labour's non-cooperation.

The proximate forces behind the establishment of the PIC and the first attempt to institute an incomes policy in Canada have been outlined above. Briefly, a combination of a commitment to avoid excessive unemployment and the failure of demand management policies to restrain inflation impelled the federal government to attempt to win the consent of the working class to wage restraint. And the mechanism that was proposed - the PIC - signalled a growing awareness that explicit 'consensus-formation mechanisms' were necessary to gain the

consent of organized labour. That is, the implementation of a 'directly interventionist' strategy gave rise to a corresponding strategy of representation: organized labour was invited into the policy process (along with capital) in return for a promise to impose the resultant policy on their own members. However, this potential representation in the policy process was limited by the fact that the general decision to implement an incomes policy had already been taken; labour's representation was limited to bargaining over the precise form of the policy (ie. the numerical guidelines, length of programme, etc.). As a quid pro quo this was insufficient.

The second implication of these events relates to organized labour's non-participation. David Wolfe has advanced the following explanation:

The rejection signified that the new level of economic rationality which the labour movement had displayed in its more militant approach to bargaining was not an isolated phenomenon but extended to the political sphere as well. The labour movement was not prepared to sacrifice politically the important economic gains which its members had won at the bargaining table (1977: 264).

While this explanation is not unconvincing, it may be suggested that, even had the leaders of organized labour been more favourable to participation in an incomes policy, it is not entirely clear whether they could have successfully imposed it upon the union membership. That is, the CLC's decentralized structure may have impeded an agreement, a factor at least as important as the 'new economic rationality' of the working class.³²

Inflation abated somewhat in the early 1970's falling to just under 3 per cent in 1971; however, this was followed by a jump to 4.8 per cent in 1972, to 7.6 per cent in 1973 and to 10.8 per cent in both 1974 and 1975. Between 1970 and 1974 the unemployment rate fluctuated between 5.4 per cent and 6.2 per cent and then rose to 6.9 per cent in 1975. In 1974 with inflation escalating - due partly to the international commodity boom and due as well to the strong performance of the American economy - the NDP brought down the Liberal minority government on the May budget (Wolfe, 1977: 273-74).

The 1974 election campaign focused largely on the question of inflation and the competing policy proposals of the Liberals and Conservatives for dealing with the problem. The Conservatives advocated the use of wage and price controls, a proposal which was ridiculed by the Liberals. The following oft-quoted newspaper account of Pierre Trudeau's remarks in Timmins, Ontario are illustrative of the Liberal's strategy:

Prime Minister Pierre Trudeau maintained his onslaught on Conservative prices and incomes restraint policies before a large noon-hour crowd here yesterday.

Mr. Trudeau said the proposed ninety-day freeze, followed by up to two years of controls, would take vast numbers of bureaucrats to administer. Even then it wouldn't work he said.

'You can't freeze executive salaries and dividends because there are too many loopholes to squeeze through.'

Mr. Trudeau said Conservative Leader Robert Stanfield had already said he would not freeze the prices of U.S. imports or Arab oil, and he admitted he would exempt housing prices.

'So what's he going to freeze?' Mr. Trudeau shouted, "Your wages. He's going to freeze your wages" (in Panitch, 1975: 8).

The Liberal's arguments were consonant with the then-dominant view in the Department of Finance, namely that the 1973-74 bout of inflation was caused by factors extraneous to the Canadian domestic economy - the rapid increase in oil prices and the commodity boom on international markets (Maslove and Swimmer, 1980: 3).³³ The government had, in 1973, considered and then rejected the idea of a mandatory incomes policy on the basis of this analysis of the inflation of that period, but "it was recognized ... that if the peculiar international circumstances abated with no consequent abatement in domestic inflation, mandatory price and income controls could become necessary" (AIB, 1979: 20).

By the summer and fall of 1974 the Finance Department's analysis of the situation had altered. During the period of economic growth in 1972-74 labour's share of national income had dropped considerably - from 74.1 per cent in 1970 to 71.4 per cent in 1974, "as is usual in the upswing of the business cycle" (Wolfe, 1977: 274); but by 1974-75 organized labour was beginning to recoup the losses through more aggressive bargaining and willingness to strike. Indeed, in 1974 over 1,200 strikes and lockouts occurred, involving 580,912 workers and over 9.2 million worker-days lost. Of particular importance was the fact that public sector employees were centrally

involved in this outburst of militancy. Teachers, hospital workers, federal, provincial and municipal employees and other public sector workers engaged in strikes (many of them illegal) or were awarded large increases by other demonstrations of militancy.³⁴

It was in this context that efforts began to achieve 'consensus' on a prices and incomes policy. As Wolfe has stated:

The government ... was not prepared to regard the mounting pressure of wage demands and the shift to a greater share of wages in the national income as the normal patterns which occur during the latter stages of business cycle expansion. Finance Minister Turner, in particular, appeared quite unwilling to see the gains for corporate profits ... evaporate under increased pressure from wage demands (1977: 278).

In September of 1974 the government decided to seek voluntary consensus on restraint, and the Ad Hoc Committee of Senior Officials on Inflation (AHCSOI) was formed, chaired by the deputy-minister of Finance and consisting of "essentially the same group of officials (although different individuals) who had acted as liaison for the Prices and Incomes Commission" (AIB, 1979: 22).³⁵ As noted previously the activities of the PIC had been continued through the creation of the Prices Group in the Department of Consumer and Corporate Affairs; however, with the decision to again pursue a voluntary incomes policy, operational responsibility for the exercise was taken over by the Department of Finance, perhaps indicating the

seriousness of the government's commitment. The AHCSOI immediately appointed a task force to coordinate and operate the consensus exercise.³⁶ Between September and November AHCSOI and MICSEC prepared reports dealing with the "public announcement of the program, the forms of consultation which the program would entail, and the background of current inflation which led to the need for consultation" (AIB, 1979: 23). The proposal for a series of 25 consultation meetings between January and March of 1975 originated from the discussions and reports of these committees.

The throne speech of 30 September 1974 had announced that a consultative process would be initiated with the 'principle groups in society'. By November John Turner was able to announce, in his budget speech, that the government was about to launch a new attempt to attain voluntary consensus on an incomes policy. His expressed reasons shed some light on the new view which has developed:

Given the inflation which has occurred, no group is willing to exercise restraint unless it knows that others will also exercise restraint. The hard truth remains, however, in this struggle the sum total of all the claims on the nation's resources - however justified they may seem to be - clearly exceeds what in fact is available to be shared ... We have to find a better way of reconciling the competing interests of the various groups which make up our society.... This is why we need a national consensus about what the various groups can safely take from the economy over the next few years (in Wolfe, 1977: 274).

Between 21 January and 25 March 1975 twenty-three meetings were held with various groups (of these only one, on 22 January, involved the CLC).

Five of the meetings were with labour groups (the CLC, CSN, CSD, the building trades and the Teamsters), nine were with various chief executive officers of business, and the remainder were with groups representing various other 'interests' (eg. professionals, consumers, agriculture, etc.). Three-five ministers attended each meeting. The meetings were 'exploratory' and were designed to generate discussion and raise possible proposals with regard to inflation. The purpose of the round of meetings was to determine whether "participating interest groups were willing to co-operate to achieve greater price stability" (AIB, 1979: 23). The government's perception of the results of the process was as follows:

No commitments were made or required but there is no doubt that all groups in the economy are deeply concerned about inflation, that all groups look to government, and particularly to the federal government, to provide leadership, and that among the groups there is a recognition of the basic components required in an anti-inflationary program (AHCSOI, 1975a: 2).

More specifically the government officials involved felt that:³⁷ all the groups were concerned about inflation and that all agreed that "everyone" is trying to take too much out of the system and must pull back to some degree"; "in all groups including the labour groups there was a recognition of the need to institute some limitation on wage and salary increases";

price restraint must replace the practice of "charging all the traffic will bear"; investment would need to be increased; and "there is wide agreement that the governments at all levels should set an example by restraining expenditures and avoiding excessive pay increases for government employees." There was disagreement on the question of precisely how the government should 'maintain' and 'increase' investment: business groups proposed tax concessions; but non-business groups viewed this skeptically and advocated that tax concessions should be directly tied to investment performance. Finally,

the labour groups and individual participants in other meetings consider that action should be taken to ameliorate a number of longer-term problems. For example, there is general support for the government taking the initiative to improve labour-management relations (AHCSOI, 1975a: 2).

On the basis of these perceptions John Turner, John Munro (Minister of Labour) and Robert Andras (Minister of Manpower and Immigration) met with the CLC Executive Committee³⁸ on 3 April, and advanced a series of proposals for discussion. At this stage the Ministers were not seeking a commitment, but were asking "for ... views as to whether the proposals provide the basis for the co-operative development of a voluntary program" (AHCSOI, 1975a: 3). The government proposed that wage and salary increases be limited to an agreed-upon target price increase, a target which would be based on a 2 per cent reduction of the consumer price index per year.³⁹ 'Equity' was

to be achieved by allowing excess increases to certain groups in need of a relative catch-up, however "in setting the percentage point limit for catch-up increase, judgement would have to be exercised as to the overall rate of increase of wages and salaries that is consistent with the price target for that year" (AHCSOI, 1975a: 6). Executive salary increases would also be limited to the target price increase. Finally, real wage increases would be allowed in subsequent years if productivity increased.

On the question of price increases, business would be asked to only seek price increases sufficient to cover increased costs: "The aim would be to limit profits per unit of output and this would tend to reduce profits as a percentage of the value of sales. Total profits could of course increase in line with increased volume of operations" (AHCSOI, 1975a: 6). The Ministers also indicated that professionals would be expected to limit their fee increases to a point sufficient to protect their real incomes, and that rent would be limited to a rate sufficient for investors to earn a "reasonable rate of return".

The programme would be administered by a board which would monitor wage and price developments and publish reports on "significant changes". The exact form of the board would be established in consultation with all the participating groups. The Ministers also pledged the federal government to

the following: to conform to the agreed-upon targets in bargaining with their own employees; to promote economic growth "in ways that will not contribute to inflation"; to encourage capital investment; to increase the supply of housing, especially for lower income families; to limit government spending and taxation; and to "initiate tripartite discussions on labour-management relations".⁴⁰

At the April 3 meeting the Ministers and the CLC Executive Committee agreed to establish a working committee consisting of senior staff from each side⁴¹ to deal with the 'technical aspects' of the 'Turner document' (as the proposals were called). The working committee then met on 14 and 16 April, at which time the CLC voiced displeasure with several of the proposal's 'technical aspects'. The CLC focused its criticisms on several points. First, they questioned the concept of 'equity' offered by the government, claiming that the government's proposal constituted nothing more than "a declaration in favour of motherhood",⁴² The dispute resolved around the treatment of lower income groups: the government proposals were considered, by the CLC, to be too vague; furthermore, the straight percentage increase proposed for all groups was not in line with the CLC's desire to see a re-distribution of income.⁴³

The CLC formulated the following counterproposal on the question of equity:

... it is our view that full-time employees in lower-income positions, whose earnings fall below the industrial composite, should receive additional compensation under a negative income tax, or some form of tax credit. These people have either weak or no bargaining power at all, and it is inconceivable to us how it will be possible to implement the mutually agreed-upon principle that those in lower-income jobs can improve their position unless provisions are made for them under the Income Tax Act.⁴⁴

The CLC also sought to attach an upper limit on permissible salary increases, opposed the concept of tax concessions to bolster investment (unless the concessions were tied to specific re-investment projects), raised the question of prices determined on world markets, and expressed concern over mortgage and consumer interest rates. Finally, the CLC felt that it needed to receive concrete indications, before the ranking officers' meeting scheduled for 7 May, that the provinces would act on rents, professional fees and land speculation.⁴⁵

On 1 May the government responded with a more detailed proposal.⁴⁶ This new proposal took some of the CLC's objections into account, but ignored most. The government's major concession related to the question of equity. The basis of the new proposal was that, notwithstanding the percentage guidelines, a \$600 minimum increase was to be allowed in all cases and \$2,400 was to be considered the upper limit of permissible increases.⁴⁷ In view of the CLC's previous counter-proposal for a negative income tax or tax credit system, the government's new proposal was not much of a concession. The

internal CLC analysis of the second proposal concluded on a pessimistic note:

In conclusion, it is quite apparent that the Turner programme is designed to restrain wages and not other forms of income. The whole concept of equity which the officers and ourselves have submitted to the government in our various discussions, has been ignored. We can only conclude that the government, on the basis of this document, regards wages as the principle income to be restrained in its fight against inflation.

This conclusion is lent credence by two additional facts: first, the government's proposals were highly detailed and rigorous with respect to the control of wages, but extremely vague and sketchy with respect to prices and other forms of income; second, no meetings to discuss the precise details of the programme with other groups (such as professionals, the finance community, etc.) had taken place before the 1 May proposal. The government's clear emphasis was on gaining concessions on wage restraint before other aspects of the proposed programme were developed.⁴⁸

On 6 May the CLC Executive Council met to discuss the consensus exercise and drafted a statement to be represented to the ranking officers' meeting the following day.⁴⁹ The statement summarized the issues which had been discussed with the government, reiterated the points made at the various working committee meetings, and criticized the emphasis on wage restraint:

From the perspective of the policy formation process advanced in this thesis, several aspects of the decision to implement controls are worth highlighting.⁶³ First, as is clear from the above description, the final policy was a resultant of bargaining, conflict and compromise, that is, the policy was not a 'rational' decision of a unitary actor. Second, the 'viewpoints' of at least some of the participants can be interpreted in light of their place in the structure of representation.⁶⁴ In terms of the 'unequal' nature of the structure of representation, Finance's obvious influence lends credence to the view that it is the seat of power of the hegemonic fraction. Although Finance was forced to concede on several issues it is clear that their basic proposal for a mandatory incomes policy was eventually accepted by all as being in the 'national interest'. Finance's proposals were articulated in the form of the 'general interest'; the views of the other participants were interpreted as expressions of narrower interests.

The imposition of wage and price controls in October 1975 marks the end of the series of state initiatives dealt with in this section. Two themes have been stressed - the development of 'consensus mechanisms' and the question of income policies. The various bodies created to promote consensus formation, and the attempts to attain consensus on a voluntary incomes policy, point to a tendential movement toward 'corporatism/

From the perspective of this thesis, one particular aspect of Kwavnick's analysis of labour-state relations is important. The dominant mode of political representation through which the CLC and the government interacted in this period was the interest group mode. In addition, the particular state decision- and policy-making structure which Kwavnick described was of the executive-bureaucratic type. The whole of Kwavnick's analysis points to the fact that the CLC's relations with the state were largely channeled through pressure group activity and lobbying (both formal and informal) directed at politicians at the executive level (and particularly the Ministers of Labour) and the senior civil service:

The most obvious, and probably the most effective, means by which the CLC can influence government policy lies in the continuous contact between the Congress and the government's policy advisors in the civil service.... After having worked closely with the officers and officials of the Congress over a long period of time civil servants find themselves accepting the validity of at least a part of the Congress' point of view. The policy recommendations which they make to their political chiefs are thus influenced (215).

Kwavnick's analysis highlights⁶⁷ two further aspects of the interest group mode of political representation. First, his view that influence is circumscribed by 'established government policy' accords with the view of the state adopted in this thesis. That is, the state is not 'captured' by a particular class (or interest group), but rather reflects class interests 'at a distance'. Thus the CLC's relative lack

administration of the programme would have been almost inevitable; and this would have led to a centralization of influence in the Canadian labour movement. In fact, this is what the Congress officers had in mind, knowing full well that the participation of the CLC in a tripartite incomes policy would result in a tendential centralization of influence.⁵²

The meetings of the CLC Executive Council and ranking officers occurred in the context of this conflict. On 5 May, the day before the Executive Council meeting, Morris met with John Turner to discuss the consensus talks. Presumably they found some common ground for Turner, John Munro, and officials from the Departments of Labour and Finance attended the CLC Executive Council meeting the next day, at which Morris argued in favour of the restraint programme, or at least in favour of seriously continuing the discussions.⁵³ However, opposition to voluntary restraint (and the implications concerning autonomy) was too strong and the Executive Council effectively scuttled the consensus exercise by adopting the position outlined above.⁵⁴ 'Effectively scuttled' because, although the statement indicated a willingness to continue discussions, the conditions attached to this pledge went far beyond what the government was willing to concede. Indeed, despite a meeting between Turner, Munro and the CLC Executive Committee on 12 May and further meetings of the CLC/MICSEC task force in May, an agreement was not forthcoming.

Before turning to the decision of the federal government to institute mandatory wage and price controls, some

initial conclusions concerning the events just described may be drawn.

The failure of the consensus exercise was due partly to the government's position and partly to conflicts internal to the CLC. It is clear that the government's May proposal was unacceptable, as it stood, to the CLC. The CLC's objections to the proposals were rooted in a concern with the programme's emphasis on wage controls and with the limited degree of 'equity' being offered. In addition to these real concerns the CLC was aware that the programme was not acceptable to some of the affiliates. The government's position, however, was negotiable and the CLC officers wanted to continue discussions.⁵⁵

But the internal conflicts in the CLC (coupled with the publication of the government's proposal) effectively ended the process. It is therefore clear that the CLC, or rather, certain groups in it, had developed the view that an incomes policy was necessary and that the policy would be best administered through a tripartite body. Further, the failure of the affiliates to agree emphasized, in the eyes of the CLC officers and the government, that a centralization of labour was necessary in order to effectively implement the economic policies made necessary by the failure of traditional intervention. While the CLC and the government differed as to the precise shape of the incomes policy and as to the best means of representation, they were agreed on the necessity for change.

The final topic to be discussed in this section is the government's decision to implement a mandatory wage and price controls programme.⁵⁶ After the failure of the CLC-government subcommittee to agree upon a voluntary incomes policy, discussions between the two parties ended. Immediately following this, the government began to reconsider mandatory controls. Tom Shoyama (the then-deputy minister of Finance) has noted that:

In May, June and July of 1975 we came to the conclusion, essentially in the Department of Finance, but also with the assistance of other economic agencies in the government, that some bold or unconventional action had to be taken, even if it involved a very restrictive monetary and fiscal policy. The alternative was the introduction of the prices and incomes program (Conference Board, 1978: 24).

By late August the AHCSOI was considering the outlines of a controls programme;⁵⁷ on 17 August the provincial premiers signalled the federal government with a communiqué calling for federal action to deal with inflation; on 11 September John Turner resigned from the Cabinet;⁵⁸ and on 17 September the Cabinet met at Meach Lake to consider, among other things, the economic situation. At that meeting the Cabinet decided that 'dramatic action was needed'. This assessment was based, in large part, on the Department of Finance's analysis of the situation and their advocacy of controls.⁵⁹ Shortly thereafter, the final decision to introduce controls was reached in the Cabinet Committee on Priorities and Planning, and the AHCSOI began to define the programme more concretely.

Debate in the AHCSOI⁶⁰ focused on several issues.

First, there was the issue of whether a full-fledged controls programme was necessary, or whether some other form of controls (eg. price- and/or wage-justification legislation) would suffice, with the Finance Department advocating the former and Consumer and Corporate Affairs and the PMO advocating the latter.⁶¹ On this point Finance won and "from then on the Department of Finance's proposal for a controls programme became the basic framework" (Maslove and Swimmer, 1980: 29).

However, Finance lost on two further issues: they had proposed that the programme commence with a ninety-day freeze and that the programme be sufficiently broad in scope to cover 'all economic units, regardless of size' (Maslove and Simmer, 1980: 29), but Trudeau and the representatives of the PCO, the PMO and Consumer and Corporate Affairs were successful in arguing against both the freeze and the broad coverage.⁶² One final issue is of note. The Department of Labour argued (unsuccessfully) for a system of active involvement in collective bargaining (ie. defining permissible increases during bargaining rather than after the fact). The Labour Department's proposal was clearly oriented toward the benefit of labour leaders: the Department of Labour's "feeling was that labour leaders could live with lower wage settlements provided that the rank-and-file were not put in a situation where expectations about wage settlements that were negotiated had to be shattered" (Maslove and Swimmer, 1980: 31).

From the perspective of the policy formation process advanced in this thesis, several aspects of the decision to implement controls are worth highlighting.⁶³ First, as is clear from the above description, the final policy was a resultant of bargaining, conflict and compromise, that is, the policy was not a 'rational' decision of a unitary actor. Second, the 'viewpoints' of at least some of the participants can be interpreted in light of their place in the structure of representation.⁶⁴ In terms of the 'unequal' nature of the structure of representation, Finance's obvious influence lends credence to the view that it is the seat of power of the hegemonic fraction. Although Finance was forced to concede on several issues it is clear that their basic proposal for a mandatory incomes policy was eventually accepted by all as being in the 'national interest'. Finance's proposals were articulated in the form of the 'general interest'; the views of the other participants were interpreted as expressions of narrower interests.

The imposition of wage and price controls in October 1975 marks the end of the series of state initiatives dealt with in this section. Two themes have been stressed - the development of 'consensus mechanisms' and the question of income policies. The various bodies created to promote consensus formation, and the attempts to attain consensus on a voluntary incomes policy, point to a tendential movement toward 'corporatism/

planning'. These developments, moreover, were related to the instability of the post-war settlement. That is, most of the initiatives dealt with here were, expressly or otherwise, aimed at integrating organized labour and capital into the state in order to ~~implement~~ policies designed to cope with the problems engendered by the commitment to full employment (which were exacerbated in the seventies by Canada's declining international competitiveness).

However, the developments covered here did not end in the institution of full-fledged corporatism. For, despite the pressures toward the adoption of this route, the particular institutional make-up of the Canadian social formation was not immediately conducive to such changes. As well, the outcomes of the various initiatives were shaped by many situational factors. In Section 5 these various 'obstacles' will be dealt with. However, it is first necessary to outline briefly certain features of the Canadian labour movement during the period covered in this chapter.

4. The CLC and the State, 1960-1965

The role of the CLC in the events dealt with in this chapter has been briefly touched upon in the two previous sections. The CLC's unfavourable response to the Woods Task Force Report and the participation of several labour leaders in the CLRC was mentioned in Section 2; the Congress' participation

on consensus-formation bodies, their resistance to early suggestions for an incomes policy, and their role in the consensus exercise of 1974-75 was outlined in Section 3. In this section the implications of these activities will be dealt with. The section will first focus on the effect on the CLC of the movement toward corporatism/planning, and will then briefly examine how the decentralized structure of the Canadian labour movement and the internal conflicts which characterized the Congress in this period impinged upon and shaped this movement.

The relationship between the CLC and the federal government from 1956 to 1968 has been studied by David Kwavnick (1972).⁶⁵ As regards the CLC's activities, Kwavnick drew attention to "the obsessive concern of the Congress leadership to secure recognition and acceptance of their organization as the voice of organized labour in Canada" (217), and illustrated his contention with references to many quarrels between the government and the Congress leaders over the CLC's representation rights.⁶⁶ The government's general position vis-à-vis the CLC was summarized as follows:

Government recognizes, at least in part, the mandate claimed by the Congress leadership. In recognition of this mandate, government confers privileges upon the Congress in the form of nominations to public bodies, consultation and access to political leaders and civil servants. The latter privileges enable the Congress to influence the day-to-day activities of government within the limits set by established government policy (Kwavnick: 217-18).

From the perspective of this thesis, one particular aspect of Kwavnick's analysis of labour-state relations is important. The dominant mode of political representation through which the CLC and the government interacted in this period was the interest group mode. In addition, the particular state decision- and policy-making structure which Kwavnick described was of the executive-bureaucratic type. The whole of Kwavnick's analysis points to the fact that the CLC's relations with the state were largely channeled through pressure group activity and lobbying (both formal and informal) directed at politicians at the executive level (and particularly the Ministers of Labour) and the senior civil service:

The most obvious, and probably the most effective, means by which the CLC can influence government policy lies in the continuous contact between the Congress and the government's policy advisors in the civil service.... After having worked closely with the officers and officials of the Congress over a long period of time civil servants find themselves accepting the validity of at least a part of the Congress' point of view. The policy recommendations which they make to their political chiefs are thus influenced (215).

Kwavnick's analysis highlights⁶⁷ two further aspects of the interest group mode of political representation. First, his view that influence is circumscribed by 'established government policy' accords with the view of the state adopted in this thesis. That is, the state is not 'captured' by a particular class (or interest group), but rather reflects class interests 'at a distance'. Thus the CLC's relative lack

of direct influence is typical of interest group representation in general. Second, Kwavnick points to the fact that the CLC, during the period which he studied, had input into only those areas which the state defined as being of concern to organized labour, thus illustrating the limits of working class representation.⁶⁸

Kwavnick's analysis of labour-state relations ends at 1968. However, as previous sections have indicated, there was a slow emergence of another mode of political representation during the 1960's and early 1970's, that is, consensus mechanisms and tripartite representation. Before 1968 the major initiative in this area was the creation of representative economic-advisory bodies, the NPC and the Economic Council. These may be distinguished from other labour-state linkages of the period by reference to the fact that the NPC and Economic Council were, at least in initial intent if not in effect, devised to create a consensus to which all parties would supposedly adhere. The traditional interest group linkages did not contain this element. The difference is even more apparent with reference to the CLRC and the two serious attempts to institute a voluntary incomes policy: not only were these 'advisory', but they were explicitly directed toward tripartite formulation and administration of public policy. To be sure, it could hardly be said that corporatist political representation was achieved through these various initiatives;

however, it may be seen that over the fifteen years covered by this chapter, the CLC's relation to the state was being altered in a significant way. From the exclusively pressure group role characteristic of the post-war era, the Congress was being thrust into a new role. Finally, the pressures which impelled this movement derived from the necessity for the state to go beyond the policies which comprised the post-war settlement: as a result of the eventual instability of the post-war settlement and the consequent heightening of class tensions, it became increasingly desirable to integrate trade unions into the state.

Although it is arguable whether the CLC grasped the implications of these developments at an early date, by 1974-75 several leaders and officials began to comprehend the direction being taken. Indeed, just weeks prior to the imposition of wage and price controls, CLC vice-president Shirley Carr spoke of the abortive consensus exercise in the following terms:

"... there has been a subtle yet distinct change taking place in Canadian society during the last few decades. A change which is becoming particularly evident in the past few years. The politicians are beginning to recognize it but Canadian society, the labour movement and the business community in general have been slow in coming to grips with the newly emerging reality. The academic community will not of course decipher this trend for some years to come.

I am referring here to the economics of our times. I believe that the last initiative by Turner to gain a consensus on a voluntary wage

and price freeze was a direct result of the fact that Keynesian economics no longer works. The new inter-dependent nature of society, the world of administered prices and of supply and demand and the loss of a free-market economy, all of which Keynesian economics assumed has passed into history almost unnoticed. As a result government no longer can push and pull on the monetary and fiscal levers and be confident that inflation and unemployment can be controlled with any degree of confidence. The reality of this situation is that a new power structure is emerging, one in which the financial community must now share its preponderance of power with organized labour. If this trend continues, then it will be necessary for organized labour to adapt to this new order" (CLC, 1976a: 3).

However, as has been emphasized throughout this chapter, the movement toward corporatism/planning was slow, halting and, indeed, subject to the occasional reverse. Although many factors could be cited by way of explanation, one in particular is central to this thesis - the structure and internal conflicts of the CLC.

Kwavnick's study of the CLC led him to point out the "outstanding fact" of "the extreme decentralization of power which characterizes the internal structure of the Congress" (217). Thus he argues that "the constitution of the Congress is a non-aggression pact among union leaders with the Congress machinery serving to implement and police that pact" (41). So, given the labour movement's decentralized structure:

... even in its role as the policeman of the constitution the Congress cannot be completely effective in the face of a large and unco-operative affiliate. The Congress can act effectively when the major power centres are in agreement and is impotent when the major power centres are deadlocked (62).

The decentralized structure of the organized labour movement clearly had an impact on the CLC's role in the two attempts to achieve a voluntary incomes policy, for it is highly questionable whether the CLC could have agreed to participate even if the Congress leadership was in favour. Without the support of the affiliates - and especially the largest among them - a voluntary incomes policy would have been out of the question, since the Congress leadership possessed neither the constitutional authority nor the power to enforce such an agreement.

The decentralized structure of power is of course related to the distribution of tasks (and resources) between the Congress and the affiliates. Thus with collective bargaining (which is completely carried out by the affiliates and their locals) as the central activity of the post-war labour movement, the structure of power is clearly not amenable to CLC participation in corporatist-type arrangements. However, if the importance of collective bargaining was to be diminished, then it is not entirely unlikely that the balance of power would shift. That is, if incomes policies, manpower planning or other activities which involved the direct representation of organized labour were to partially displace collective bargaining, then the Congress could gain influence relative to the affiliates. However, in order for the CLC to effectively participate in such endeavors it is necessary that the affiliate leaders and the rank-and-file, or a substantial portion thereof, acquiesce.

That is, whether or not Congress leaders and officials are able to participate in state policy formulation and administration is dependent upon the (indeterminant) outcomes of situational struggles, bargaining and compromises at particular times. With regard to the outcome of the consensus exercise of 1974-75, it may be seen that the particular alignment of forces, and the positions adopted by different groupings, within the Congress were of critical importance. The CLC's rejection of the government's proposal, and the subsequent counterproposal of the Executive Council, can be interpreted as a resultant of the internal differences within the labour movement, and not solely as a result of its decentralized structure.⁶⁹

Thus an appreciation of the various divisions within the CLC is integral to an explanation of its role vis-à-vis the state. To conclude this section, then, it will be useful to review briefly the main antagonisms within the CLC during the period with which this chapter is concerned.

Several divisions, or lines of conflict, may be identified: national/international, craft/industrial, public sector/private sector, rank-and-file/leadership, and left/right.⁷⁰ These antagonisms, of course, shift over time. Thus, during the mid-sixties, tension between the rank-and-file and the labour leadership was quite marked, and industrial/craft divisions caused a considerable degree of jurisdictional

conflict.⁷¹ By the late sixties and early seventies, however, other conflicts were coming to the fore. The rising nationalism of the period and the protectionist stances adopted by some international unions (i.e. in favour of policies which would protect American workers at the expense of the Canadian members of the same unions) combined to exacerbate the national/international split.⁷² In 1970, for instance, the CLC was forced to produce a set of guidelines oriented toward giving Canadian workers in international unions a measure of self-determination and democratic rights (the latter due to the practice of some internationals of appointing a Canadian director rather than there being an election by the Canadian members).

The growth of the public sector and rapid unionization of public employees⁷³ was also important in highlighting differences between public and private sector unions. Indeed, at the 1974 CLC convention, a 'reform group' led by CUPE and including CUPW, PSAC, CBRT and BCGEA, pushed for a mixture of reforms which were both 'progressive and national'.⁷⁴ Although not spectacularly successful, this conflict underlined the splits between public and private sector unions. It should also be noted that the various conflicts roughly corresponded to each other. Thus a public sector/national/left grouping (most readily identified with CUPE and CUPW) could be seen to be standing opposed to a private sector/international/right

grouping (represented most strikingly by the construction building trades).

The internal antagonisms had an effect on the CLC's role during the period in two main ways. First, in the early to mid-seventies there was a considerable degree of difference in bargaining strategy between the rank-and-file and the leadership, with the latter often preaching 'restraint', but eventually being forced to adopt more hard line demands at the insistence of the membership. This clearly had an effect on the government's concern with wage militancy which led to the attempt to form an incomes policy and subsequent decision to impose mandatory controls. Second, the public sector unions demonstrated a considerable degree of militancy in 1973-75, striking much more frequently (often illegally) than in the past and gradually outdistancing the private sector unions in terms of monetary increases.⁷⁵ This produced the view in the state, the CLC leadership and among the private sector unions, that the public sector unions were 'irresponsible', which in turn led to attempts to introduce a voluntary restraint agreement. However, the differences between the public and private sectors, and between the centralists and autonomists,⁷⁶ intervened.

This section has reviewed the movement toward corporatism/ planning between 1960 and 1975 from the perspective of the CLC. It has been suggested that the CLC's relation with the

state evidenced an alteration from the interest group mode of representation towards a corporatist-like mode. The participation of labour leaders in the various attempts to formulate an incomes policy, and in the CLRC, was markedly different from earlier labour-state linkages. However, the decentralized structure of the CLC, and several significant conflicts in the Congress, shaped this movement in an important fashion. Specifically, the lack of authority of those in the Congress whom were willing and eager to participate (stemming from the decentralized structure and the existence of internal opposition) determined the CLC's rejection of the state's offer.

5. Conclusions

The purpose of this chapter was to trace the changing role of the state in terms of political representation and intervention during the period from 1960 to 1975. It has been suggested that new forms of intervention were becoming increasingly necessary to cope with the problems engendered by the perceived failure of the post-war settlement. And that, concomitantly, it also became apparent that a new structure of representation was necessary in order to effectively implement the new interventionism.

The state's 'understanding' of these factors was manifest in the advocacy and adoption of more directly interventionist strategies. Particular emphasis has been placed on

the 'breakdown in Keynesianism' and the consequent proposals for an incomes policy, but it is possible to point to other forms of intervention which arose during this period - manpower policies, industrial strategy and the 'rationalization' of the collective bargaining system. Correspondingly, there was the establishment of a series of institutions designed to facilitate the implementation of the policy initiatives. The formation of the National Productivity Council, the Economic Council of Canada, the Prices and Incomes Commission, the Canada Labour Relations Council and the proposals for a board to administer the voluntary incomes policy which was being pursued in 1975, illustrate this trend. While these institutions were not significant with respect to the degree of 'consensus formation' which was actually achieved, they are significant in terms of growing recognition that a new form of representation was required to effectively implement, and in some cases administer, the emerging policy agenda.

Organized labour's 'understanding' of these changes was also evident, but if it can be said that the state's initiatives were responses to growing problems, then organized labour's actions were responses to the state. Organized labour's understanding of the economic changes was most evident in the 'new rationality' of the working class, that is, the realization that 'full-employment' considerably increased labour's bargaining power. In addition, with the advent of

stagflation, organized labour exhibited a new willingness to press its demands despite the existence of unemployment. Organized labour's participation in the various consensus mechanisms which emerged during these years also points to an acceptance, by certain groups, of the new role into which they were being thrust.

But these events did not proceed smoothly and automatically into a full-fledged corporatist arrangement. Instead, two dimensions of conflict intervened, one at the level of relations between the state and organized labour, and one within labour. The state was proposing a new policy agenda and new institutional mechanisms through which it could be implemented, but its offers, at least in the case of incomes policies, were spurned. At the level of labour-state relations this was the result of differing conceptions of the terms of the arrangement: organized labour refused to participate simply for the sake of increased stature; instead it demanded a role in policy formation if it was to agree to control its own members. This is not to argue that the leaders of organized labour were opposed to integration, but it is to say that the terms of integration were a matter of dispute.

The second dimension of struggle was internal to organized labour. On this level the conflict was related to the appropriate strategy to be pursued in the face of the 'offers' of the state. Two aspects of this conflict (private

sector/public sector and centralist/autonomist) have been emphasized in this chapter, but the debate became considerably more complicated after the imposition of wage and price controls in 1975.

The next chapter will examine more closely the two interlocking dimensions of struggle over the emerging modes of intervention and representation - the struggle between organized labour and the state over the forms of intervention and representation, and the conflicts within organized labour over the appropriate strategy to be pursued.

• NOTES TO CHAPTER III

1. See Chapter II. Militancy in the early and mid-1970's eclipsed the 1960's period; the point here is that the 1960's experience was the third major outburst.
2. These features, and much of the discussion below, draws on the following: Jamieson (1968: Chapter VIII), Crispo and Arthurs (1968), Task Force on Labour Relations (1968), Finn (1966; 1967) and Pentland (1968). The analysis here will not refer to specific incidents; nor will it dwell upon statistics.
3. For specific examples see Jamieson, (1968: Chapter VIII).
4. These are found in Jamieson (1968: Chapter IX) and Crispo and Arthurs (246-60).
5. See Task Force on Labour Relations (Part III).
6. In each of the two previous periods there was, simultaneously, widespread industrial militancy (vis-à-vis capital) and a heightening of tensions within organized labour.
7. See Chapter II.
8. This contributes to an explanation of several of the dimensions of the crisis cited by Crispo and Arthurs and Jamieson, eg. the unseating of long-time labour leaders, non-ratification of contracts, etc.
9. For example of one particular case see Flood (1968).
10. The rapid unionization of public employees in the 1960's and 1970's is not dealt with here; however it obviously had an effect on the state's role in the industrial relations system for it increased the number of potential 'essential service' disputes.
11. Although the Task Force did not recommend direct state interference in the structure of the union movement, it noted that: "Indirectly, however, some of our recommendations will have an impact on these matters. Our proposals with respect to the determination and redetermination of bargaining units and with respect to the handling of inter-union rivalry in the form of jurisdiction of work assignment disputes could have a significant bearing on the structure of the labour movement" (158).

12. Apart from their conclusion that unions were not the prime source of inflation, the Task Force also cited the following as reasons for not instituting an incomes policy: the infringement of freedom; the 'corrosive' effect of what would effectively be compulsory arbitration; the decentralized structure of collective bargaining, unions and business; and the likelihood that a consensus could not be attained.
13. On the question of state intervention the Task Force appeared almost schizophrenic, calling in general for more, but constantly reiterating the need for less.
14. As well as the Task Force's concern with the effects of technological change, the Freedman Report on 'run-throughs' (Freedman, 1965) was important. This study was prompted by the labour unrest and public concern over the CNR's lengthening of crew runs and consequent closure of many small town stations in the mid-sixties.
15. On the other initiatives arising from the 1974 policy review see Labour Gazette (75th Anniversary Issue, 1975).
16. The government representatives on the CLRC were: John Munro, Thomas Eberlee (Deputy-Minister of Labour), William Kelly (Assistant Deputy-Minister of Labour), Robert Armstrong (Director, Policy Coordination Group, Labour), J.L. Manion (Senior Assistant Deputy-Minister (Manpower), Department of Manpower and Immigration), William Hood (Associate Deputy-Minister, Department of Finance), O.G. Stoner (Deputy-Minister, Department of Industry, Trade and Commerce), David Morley (Deputy-Secretary, Treasury Board), John Carter (Policy Development Officer, Labour) and four others named later. The management representatives were: J.C. Anderson (CP), M. Dubinsky (Trimac), G.H. Durocher (Canadian Construction Association), R.J. Gallivan (Canadian Industries Limited), W.M. Hamilton (Employer' Council of BC), R.E. Heneault (Stelco), Charles Perrault (Conseil du Patronat du Québec), R.P. Riffin (Noranda Mines Ltd.) and W.H. Wightman (CMA). The Labour representatives were: C. Edwards (Public Service Alliance of Canada), W. Mahoney (United Steel Workers of America), W. McGregor (Brotherhood of Railway Clearks), D. Montgomery (Secretary-Treasurer, CLC), J. Morris, J.J. Munro (International Woodworkers of America), K. Rose (International Brotherhood of Electrical Workers) and M. Rygus (International Association of Machinists and Aerospace Workers).
17. The following information is based on confidential sources.
18. See Chapter IV, Section 1.

19. As Phidd and Doern have noted: "The creation of the Canada Labour Relations Council provides another example of the various institutional mechanisms which are being established to try to resolve conflicts and to facilitate the process of economic management..." (482).
20. It should also be noted that there were difficulties in the nominations process to the NPC. The government insisted upon choosing the labour representatives rather than accepting the CLC's choice (Panitch, 1979a: 67). However, the point here is that labour's representation on the NPC was not questioned. For other examples of the CLC's conflict with the government over nominations to government boards and agencies, see Kwavnick (1972: Chapter 5).
21. See Phidd and Doern (472-75) for a more complete description of the role of the NPC.
22. The Economic Council of Canada was not an exact replica of the proposed National Economic Development Board. For instance, the Board would have reported to the Department of Finance, but the Council initially reported to the Secretary of State (see Phidd: 437). It is also important to note that some of the work of the NPC was wholly absorbed into the Council, such as the Committee on Labour-Management Relations and the Committee on Productivity (Phidd: 436). The treatment of the Council will be brief and will concentrate on aspects which are important to the argument of this chapter.
23. The view of the post-war settlement adopted here is related to the work of Warren (1972) and Kalecki (1943). In the following, the commitment to full employment will be treated as a political 'decision' benefiting the working class. However, it should be noted that stimulative policies also have a beneficial effect for capital (ie. through the promotion of a favourable 'investment climate' and thus the accumulation process). This raises the question of the concern over inflation; that is, if full employment is politically logical and (from the perspective of the dominant classes) economically logical, then why is inflation a problem? Although this is not the place for a discussion of this, two factors may be suggested. First, in the context of the increasing internationalization of capital and the increased trade flows which attended the post-war era, international competitiveness, and especially relative wage growth rates, become important. Second, inflation introduces a considerable degree of uncertainty with respect to investment decisions.

24. In the US there were also some attempts to develop incomes policies in this period; and to a certain extent the Canadian state and trade union movement were probably influenced by this experience. However, this connection will be ignored in the present work.
25. See Smith (1966).
26. The committee was chaired by the Deputy-Minister of Finance and included the Deputy Ministers of Industry, Trade and Commerce, Labour, and Consumer and Corporate Affairs, the Secretary of the Treasury Board, and senior representatives of the Bank of Canada and the Privy Council Office (PCO) (Haythorne: 487).
27. The following discussion of the Prices and Incomes Commission is based on Berger (1973), Haythorne (1973), AIB (1979) and Phidd and Doern (1978).
28. The following discussion is based on the process of 'consensus mobilization' rather than on all the activities of the PIC.
29. The Commission itself was not tripartite, but the process of consultation which it initiated was.
30. For details see Berger (Chapter 2).
31. The PIC specifically rejected the 'market power' theory of cost-push inflation, opting instead for the 'expectations' theory. It may be said here that the market power thesis is at least valid as regards the downward inflexibility of wages and prices.
32. Wolfe's 'new economic rationality' argument is based on the assumption that the decision of the CLC was 'rational' and that organized labour is a unitary actor, an assumption which is not satisfactory. However, the political process behind the decision has not been discovered in the course of research on this thesis.
33. Also see Warskett (1976).
34. See Laxer (1976: Part V) and Maslove and Swimmer (1980: Chapter 2).
35. See note 26, above.
36. In November 1974 the task force was given an official designation - the Ministerial Inflation Consultations Secrétariat (MICSEC). Included on this task force were representatives from Finance, the PCO, Labour and Consumer

and Corporate Affairs. The 'real power' on MICSEC resided with the Finance representative (Interviews).

37. It must be emphasized that the following were the government's perceptions.
38. Whenever the CLC Executive Committee is referred to as participating in talks with the government it should be understood that the whole committee (ie. all ten members) never attended together. The full-time officers usually attended, and the other six only on a varying basis.
39. If the inflation rate exceeded the target then there would be allowances for an extra increase in the following year to compensate. In addition, it was felt that the targets would be readjusted occasionally to reflect actual experience.
40. This last seems to refer to the formation of the CLRC, which had already been planned.
41. The government representatives were from MICSEC (see note 36); the CLC representatives were Russell Bell and Ron Lang from the CLC's staff.
42. Memorandum. Bell and Lang to Morris, Montgomery, Carr and Major, 17 April, 1975. CLC Legislative Department Files.
43. That is, the government's proposal implied that one particular percentage increase would be allowed to all wage and salary earners regardless of size of salaries. Thus, if the permissible rate was to be 12 per cent, someone earning \$5,000 would only be permitted a \$600 increase, while someone earning \$50,000 would be allowed a \$6,000 increase. The CLC felt that this wouldn't go very far toward a redistribution of income.
44. Memorandum. Bell and Lang to Morris, Montgomery, Carr and Major, 5 May, 1975. CLC Legislative Department files.
45. Russell Bell and Ron Lang were of the opinion that the CLC's proposals left the government representatives 'dazed'.
46. The 1 May proposal was written by senior civil servants and was not seen by Turner until after the CLC received a copy (Turner was out of the country).
47. These were based on a proposed target of 'an 8 per cent rate of inflation for the first year of the programme.' The target was to be 6 per cent in the second year and 4 per cent in the third year.

48. Apparently, business felt that it has been 'burned' by the experience with the PIC, and the government was under pressure due to business' insistence that labour agree. (Interviews).
49. The statement was actually written by Russell Bell and Ron Lang and thus reflected their experience in discussions with MICSEC.
50. The government had put forward several alternative types of administrative mechanisms for consideration: separate boards for different types of income; a tripartite board; a 'multiple interest' board; and a 'public interest' board. It appears that the government favoured either of the latter two, but the issue was still open to negotiations. In any case the CLC officers had become interested in tripartite institutions by this time (Interviews).
51. This view would put the private sector unions on the 'voluntary restraint' side of the debate. It has been suggested that, since the economy was slowly going into a downturn in this period, the private sector unions felt they would be restrained anyway, and were thus willing to exercise 'self-restraint' more readily than the public sector unions. While this was one basis of alignment, it should be noted that the second division to be mentioned, the centralization/autonomy question (see below) cuts across the first and makes absolute identification more difficult.
52. It must be stressed that the CLC officers and staff see 'centralization' as a positive development. While it may be argued that this view is based on self-interest (ie. aggrandizement), this is only partly the case for it is acknowledged by most trade unionists that centralization would bring very real benefits to the labour movement (along with some ills).
53. The author has not been able to discover whether Morris argued in favour of (1) the restraint programme as a whole (as it stood then), (2) just the wage control side aspects of the programme (thus implying that on the other aspects some movement could be expected), or (3) in favour of simply continuing discussions without attaching specific conditions. What is sure is that the government officials involved in the consensus talks believed that Morris was committed to the "voluntary restraint programme"; but, given their concentration on wage control, Morris' agreement on the 1 May numerical guidelines (Maslove and Swimmer, 1980: 5) may have been misinterpreted.

54. Several government officials have indicated that the publication of details of the 1 May proposal in the Toronto Star (the document was leaked) on 5 May, played a role in the intrasigence of the Executive Council, the ranking officers and the government, since further concessions (by either side) would have been publicly interpreted as 'weakness'.
55. Whether further discussions would have been successful or not is an open question. Speculatively, the CLC and the government may have agreed upon a programme; and, had the CLC extracted some further concessions from the government, the affiliates may have agreed. The former was more probable than the latter.
56. Maslove and Swimmer (1979, 1980) deal with this in depth, thus a complete description will not be given here.
57. The following is based on Maslove and Swimmer (1980).
58. To the CLC, John Turner's resignation was the first concrete signal that controls would soon be introduced (Interview).
59. The Finance Department's advocacy of controls was based on three 'economic scenarios' which predicted that various standard mixes of policy options would not prevent the economic situation from deteriorating.
60. Trudeau was 'present and active' in these deliberations (Maslove and Swimmer, 1980: 28).
61. The Prices Group of Consumer and Corporate Affairs, since September 1974, had been developing price-justification legislation as a mode of mandatory controls. Thus their advocacy of this option obviously had a partly parochial basis. The Finance Department's proposals were strongly influenced by the American and British experiences with controls.
62. The decision was strongly influenced by the 1974 election campaign when Trudeau had argued against the Conservative's proposal, a proposal which had been similar to that of the Department of Finance (eg. the 'initial freeze').
63. The following is not meant to validate the theory proposed in Chapter I, but rather to illustrate its heuristic usefulness.
64. Thus, for example, the Department of Labour advocated a plan which was in the interests of organized labour, and the Department of Finance advocated a plan which was in the interests of the hegemonic fraction.

65. Kwavnick's study is situated within a liberal-pluralist framework and is thus not cast in the same terms as this thesis. For example, Kwavnick considers the CLC only as an interest group and does ~~not~~ consider its pre-interest group status; nor does he consider the possibility of a change in its status. Nevertheless, much of his study is quite useful in understanding the relationship between the CLC and the state during the period which he studied.
66. Kwavnick interprets the labour leadership's behaviour in terms of self-interest, that is, he reduces the leadership's motives to an individualistic base using prestige (based on organizational stature) as the key motivation. This, of course, does not accord with the view adopted here, which situates leadership behaviour in the tension between organizational 'security' and class interests.
67. This interpretation of what Kwavnick 'highlights' is selective.
68. For example, see Kwavnick (68).
69. See Section 3, above.
70. These, of course, are very broad categories which traverse each other and shift over time.
71. See Kwavnick (Chapter 2) and Section 1, above.
72. See Laxer (1976: Part II).
73. See Armstrong (1977).
74. See Laxer (Part III).
75. The following table gives an indication of the public sector's gains (from Maslove and Swimmer (1980: 9)).

but it was not something upon which they dwelt, especially in light of their criticisms of controls. In any event, it soon became apparent that the 10-point programme was seen as "not getting at inflation and unemployment" and that, on the question of alternatives to controls, a "credibility gap" was developing between the Congress and the rank-and-file. This may have been partly due to the CLC's reticence on voluntary restraint, but was probably due also to an ineffective explanation of how their programme would deal with inflation.

Several other tactics were used in this early period. For instance, the CLC and its affiliates refused to nominate labour representatives to the AIB, generally refused to second union staff to the Board, and refused to participate in AIB informational seminars.¹⁰ The description so far, however, only outlines the public response of the CLC, and in order to understand the development of the Manifesto it is necessary to go back to a series of events which started shortly after the announcement of the implementation of controls.

The government, although expecting the CLC to respond negatively to controls, was surprised by the intensity of the opposition. This surprise probably stemmed from the view that the CLC was not united in its opposition to controls, and was also affected by Morris' concurrence with the inflation targets and income schedules developed in the spring consensus exercise. At this point the government decided to reinitiate

CHAPTER IV

WAGE CONTROLS AND CORPORATISM (I): CONTROLS, THE MANIFESTO AND THE DAY OF PROTEST

The imposition of wage and price controls did not halt the 'search for consensus' dealt with in the previous chapter; rather, it intensified and expanded that process. During the period from October 1975 to April 1978 there was an unprecedented level of effort directed at altering the structure of representation and intervention, a process which involved an almost continuous series of negotiations between organized labour, representatives of capital and the government. Additionally, within organized labour there was an accompanying unprecedented level of debate over political strategy, and this played a significant part in determining the stance of the CLC in the bipartite and tripartite discussions of the period.

The purpose of this chapter and the next is to unravel and trace these two interwoven levels of struggle: the struggle within organized labour over the appropriate strategy to be pursued in the face of the imposition of controls and the seeming receptiveness of the government to initiating efforts to transform the structure of representation and intervention; and the struggle between organized labour and the state over the terms of the new arrangement.

As will become apparent, there were two major stumbling blocks involved in these processes.. First, at the labour-state

level, there were differing conceptions of an acceptable compromise: although there was agreement on several matters (notably the acceptance that some sort of 'voluntary restraint' was necessary), there was disagreement as to the precise form that the new structures of representation would take, principally the degree of involvement of organized labour and capital in policy formulation. The second stumbling block related to the internal conflict within the CLC concerning the appropriate strategy to be pursued: in the first instance there was vigorous debate over whether or not the CLC should even be bargaining with the state, as opposed to concentrating its efforts on generating sufficient mass action to defeat controls; and this debate circumscribed the CLC's ability to strike a bargain with the state since the bargain would have had to go beyond what the state was offering in order to quell the opposition to tripartism. It must be noted that it was not the fact of a debate itself which constituted the stumbling block; rather, it was the decentralized structure of the CLC which both opened the possibility for a debate of this sort and shaped several of its aspects.

It is necessary to limit the analysis of this and the following chapters in several respects. First, debates and conflicts within the state as to the terms and conditions of the involvement of labour and capital will be accorded relatively less emphasis than the conflicts within organized

labour. Second, the controls programme itself, and consequently the role of the AIB, will enter only peripherally into the analysis.

This chapter will deal with the period from October 1975 to December 1976, and will be subdivided into four sections: Section 1 will deal with events up to and including the adoption of Labour's Manifesto for Canada in May 1976; Section 2 will outline the developments between May 1976 and the CLC's 'National Day of Protest' in October 1976; Section 3 will discuss events between October and December 1976; and Section 4 will briefly summarize the overall period. Chapter V will examine the period between January 1977 and April 1978.

1. October 1975-May 1976: From Controls to Corporatism

The purpose of this section is to outline the initial stage of the CLC's response to wage and price controls. As will be seen, the strategy was two-pronged: on the one hand the CLC publicly denounced the government, vociferously threatened to destroy the programme, and initiated a massive (for the CLC) campaign aimed at mobilizing the support of the rank-and-file for the Congress' position; on the other hand the Congress executive began a series of quiet meetings with the government, centering around the question of the conditions under which controls could be withdrawn, and around the shape of 'post-controls society'. From these meetings, as well as

from other events which the CLC interpreted as indicating that the government was willing to withdraw controls and institute a new structure of representation and intervention, emerged the first major CLC counterproposal - Labour's Manifesto for Canada.

The response of the CLC to the announcement of controls was immediate¹ and angry: Joe Morris held a press conference that night at which he made clear that the programme would be actively opposed by organized labour; and, by 16 October a detailed analysis of the government's programme had been distributed throughout the CLC. On 24 October the Executive Council adopted an official policy statement concerning the programme:

The Canadian Labour Congress, after having thoroughly considered the Federal Government's Wage and Price Controls Programme, rejects it on the grounds that it is highly inequitable and will be unworkable in curbing the rate of price increases over the period intended to be covered (CLC, 1975b: 1).

The CLC's objections to the programme, as outlined in the Statement, revolved around the government's failure to address the 9-point programme developed in May by the CLC,² and focused on two particular deficiencies in the mandatory controls: the inequity of the wage control scheme; and the inability of the measures to control prices. In essence the CLC Statement implicitly summarized the terms under which it would support an incomes policy: first, that an incomes policy be accompanied

- by other policies designed to protect unionists (and the working class in general) from a reduction in real income; second, that the incomes policy be more 'equitable' (in a distributional sense); and, third, that prices be more fully controlled. The Congress' willingness to proceed on these terms was reiterated in their submission to the parliamentary committee considering Bill C-73 (the controls legislation):

At no time has the Congress suggested that it has the answers to Canada's economic ills. It has in the past, and it will in the future be prepared to seek solutions in cooperation with government and industry. The programme ... is the very same one that the CLC rejected last May. The CLC told the government at that time it was prepared to continue discussions but these never came about. Rather, the government, on October the 14th chose to present its programme as a fait accompli in the full knowledge that organized labour was adamantly opposed. As such, the labour movement is not prepared to accept Bill C-73 in principle or in practice (CLC, 1975d: 5)..³

The Executive Council also adopted a Programme of Action outlining the objectives and means to guide a "nation-wide campaign to fight the injustice of the legislation now before Parliament" (CLC, 1975c: 1). On 30 October a special ranking officers' meeting strongly endorsed both the Statement and Programme of Action.

A committee was quickly established to oversee the implementation of the Programme of Action and the organized labour bureaucracy shifted rapidly into high gear. The campaign against controls was oriented toward explaining the

CLC's opposition to controls - in order, thereby, to mobilize support from the rank-and-file and the 'public' - and toward selling the 10-point programme⁴ as an 'alternative'. There were several aspects to the campaign: a publicity campaign was launched to "expose the injustices and failings of the government's programme" (CLC, 1975c: 1) meetings and seminars were organized to convey the CLC's message to the rank-and-file; a fund raising drive to finance the campaign was started; materials on controls (speakers' notes, an analysis of the controls programme, publicity materials, etc.) were produced and distributed across the country; and legal advice was retained to investigate the possibility of a court challenge to Bill C-73.⁵ In terms of strategy vis-à-vis the AIB, a technical committee was established to monitor the activities and decisions of the Board; and the affiliates were advised to continue 'normal' collective bargaining (CLC, 1975c: passim).

The publicity campaign did not meet with a great deal of success as its slogan - 'Why Me?' - gave the impression that 'big labour' was complaining;⁶ and by early 1976 this campaign was replaced with a 'Price Watch' campaign. Although public opinion seemed to swing in favour of the CLC's position by the spring of 1976 this seems to have been more a function of a perception that the AIB was operating arbitrarily and not controlling prices.⁷ The organization of meetings and seminars was more successful: between November 1975 and late March 1976

almost 200 of these had been organized by; or coordinated with, the CLC campaign team. These meetings, according to the CLC, were considerably more effective than the publicity campaign in transmitting the Congress' message to the rank-and-file. The fund raising drive was also successful: by 12 February 1976 approximately \$220,000 had been received. The technical subcommittee's work continued throughout the life of the programme and was of some use to the smaller affiliates (since the larger affiliates generally have their own research staffs).⁸ (There were some initial misgivings about the tacit 'acceptance' of the AIB which was implied by the fact that the CLC was analyzing cases and providing technical information concerning the programme and its rules, but these quickly gave way under pressure from local labour leaders who needed, and demanded, concrete information for bargaining).⁹

By early spring two factors had become apparent: the rank-and-file was beginning to show strong support for the CLC's attack on wage controls; and the 10-point programme was not creating much interest nor gaining much support (Interviews). The former will be dealt with later in this section, the latter will be briefly commented upon here. The CLC was advocating that their 10-point programme be adopted as an alternative to controls, although there was some degree of ambiguity as to whether this would be accompanied by voluntary restraint. It appears that this would have been favoured by the CLC executive,

but it was not something upon which they dwelt, especially in light of their criticisms of controls. In any event, it soon became apparent that the 10-point programme was seen as "not getting at inflation and unemployment" and that, on the question of alternatives to controls, a "credibility gap" was developing between the Congress and the rank-and-file. This may have been partly due to the CLC's reticence on voluntary restraint, but was probably due also to an ineffective explanation of how their programme would deal with inflation.

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The government, although expecting the CLC to respond negatively to controls, was surprised by the intensity of the opposition. This surprise probably stemmed from the view that the CLC was not united in its opposition to controls, and was also affected by Morris' concurrence with the inflation targets and income schedules developed in the spring consensus exercise. At this point the government decided to reinstate

the consultative process, for two major reasons: first, the reaction of organized labour caused concern over the possibility of a general strike (the possibility of which the government was unsure, yet nevertheless took into consideration) and the consequent worry that, if a successful general strike occurred, the controls programme would have to be withdrawn; second, it was felt that controls would provide a 'breathing space' in which to ~~formulate~~ 'structural changes' to provide a long-term solution to the problems which had beset the Canadian economy.¹¹

The Prime Minister and several ministers (presumably including Macdonald and Munro) met with several members of the CLC Executive Committee on 30 October, 5 November and 11 November. During these meetings the CLC executives focused on two points of contention: the questionable effectiveness of price controls; and the inequity of the compensation guidelines. In regard to especially the latter the CLC reiterated its 10-point programme as a supplement to the controls programme, and expressed concern that 'responsible' private sector unions were being lumped for control purposes with 'irresponsible' public sector labour. The government's approach in these meetings was two-fold: they underlined the fact that controls were necessitated by the failure of voluntary restraint; and they impressed upon the CLC that consultations should continue, if not on the topic of voluntary restraint, then at least on the matter of the 'structural changes' which would form the basis

of the 'post-controls society'. In response to this the CLC indicated a willingness to continue discussions, but expressed the opinion that it would be difficult to attain a degree of voluntary restraint unless the private sector unions were assured that public sector settlements were restrained in some fashion (Interviews).

It should be noted that these meetings were not held in a glare of publicity. One CLC officer expressed the following concerns over the tone of the 5 November meeting and the necessity to avoid untoward appearances: "we gave credence to Trudeau that we were not adamant in our demand to withdraw Bill C-73. Furthermore, we might lose credibility with our affiliates and the general public if that kind of meeting were to be carried out. Lines of communications between ourselves and the government should take other avenues".¹²

There were several other meetings between unionists and the government during this period. Claude Edwards, the then-President of the Public Service Alliance of Canada stated in a submission to the parliamentary committee studying Bill C-73 that the Alliance 'could' support the programme if prices and profits were adequately restrained,¹³ and reiterated that support shortly afterwards in a private meeting with Trudeau.¹⁴

On 25 November a delegation of unionists from the building trades, led by Ken Rose, the International Vice-President of the International Brotherhood of Electrical Workers,

met with Trudeau, Shoyama, Munro and Eberlee and expressed some support for the programme, but voiced concern over several peculiarities of the construction industry (Macleans, December 1975; Interviews). Sometime in the autumn¹⁵ the government apparently gave some thought to bypassing the CLC and dealing directly with individual affiliates (presumably on the grounds that the larger affiliates were more important than the CLC), but the idea was dropped in fairly short order.¹⁶

Other events around this time contributed to the CLC's interpretation that the government was intending to institute a new structure of representation and intervention. In the period following the announcement of controls Prime Minister Trudeau began to make references to the 'need for new values' and the need for 'institutional change'. This theme was continued in his year-end interviews:

If the control period is used to have the institutions change themselves and that people to learn more self-discipline and restraint then the Government won't have to [increase regulation of society], it will be a new way of living, a new style of life, a new type of society. But if this doesn't develop by the free will of the people, the Government will have to continue controlling in some way or another....¹⁷

[The controls programme] is a massive intervention into the decision-making power of the economic groups and it's telling Canadians we haven't been able to make it work, the free market system. We've ended up with very high unemployment and very high inflation. We can't go back to what was before with the same institutions.¹⁸

In response to a question concerning whether there should be a new way of determining relative incomes, Trudeau commented:

... that's the kind of question I'm throwing at the unions now when I meet with them and say, okay, you don't like controls and so on, what do you want to get out of this society. You know, this leapfrogging - if a garbage man gets more than an elevator man and he gets more than a plumber, the plumber will have to catch up and get more than the electrician and so on. What kind of society do you want to build? Do you want a society, for instance, where labour would have, say, sixty per cent of GNP and business profits twelve and the farm four? You know, is this what you're looking for and, if so, let's sit down and bargain.... What kind of society do you want to build? And I'm prepared to try and discuss it with you.¹⁹

These did not appear to be off-the-cuff remarks in light of other events. Bryce Mackasey, in a fall speech, counselled unions to switch their aims "from fighting society for a bigger slice of the pie" to "fighting for a hand in the baking"; Ian Stewart²⁰ referred to controls as a 'watershed', posed the two alternatives of either a return to the free market or the development of "some kind of socialism, corporatism or collectivism", and implied that the latter was more likely; and senior government officials were quoted as saying that Trudeau was "enthusiastic" about a kind of "corporatism or quasi-corporatism".²¹ This seeming pattern led Wayne Chevaldayoff to write that a "new strategy for changing Canadian society" was emerging within Trudeau's "circle of advisors":

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The new goal for society that appears to underlie these initiatives is for labour, management and government leaders to come together at regular intervals to divide up the national income in a sensible, co-operative way that will result in less inflation and fewer disruptive strikes than we now have (G&M, 10 December, 1975).

It is necessary to touch briefly upon one other indication of a change in the government's view of economic and social institutions. During this period it was thought that several key people in the government had accepted the Galbraithian notion of the two-sector economy. On this view the economy consists of two sectors - a planning sector (which is isolated from market influences and characterized by administrative pricing, thus allowing the corporations in this sector to negotiate high wage contracts and pass along the costs, in the form of higher prices) and a market sector (which is subject to competitive forces, is largely non-unionized, and is not a significant source of inflation). The implication of Galbraith's view is that the state should control prices and incomes in the planning sector, leaving the market sector alone.²² This view seemed to be gaining currency during the period under consideration: Maslove and Swimmer have noted that several participants in the AHCSOI had adopted a Galbraithian perspective and that this influenced the decision to limit the scope of the AIB programme to major economic units (Maslove and Swimmer, 1970: 30); and, in addition, Trudeau himself indicated in his year-end interviews that Galbraith's thinking had affected his perceptions.

Finally, during late 1975 and early 1976 the Department of Labour began to engage in a considerable degree of "forward thinking about the shape of the post-controls society" and senior officials from that department met with Joe Morris (and perhaps others from the CLC) to discuss the need for 'structural changes'. As a result of these meetings, the participants agreed that fundamental changes were needed and that these necessitated the institution of a new order of 'consultative mechanisms'.²³

It was in the above-outlined context that the CLC began to draft Labour's Manifesto for Canada on which work began in December 1975 under the direction of Joe Morris.²⁴ A discussion of the practical and theoretical implications of the Manifesto will be deferred to a later point in the chapter, but it is necessary to summarize here the two major factors which prompted the CLC to develop this programme. The first factor, as was noted above, related to a 'credibility gap' between the leadership of organized labour and the rank-and-file. In Ron Lang's words:

In the months immediately following controls a credibility gap was beginning to develop between the rank-and-file and the leadership of the movement. The rank-and-file supported our opposition to wage controls but more and more the questions were being asked - "We know we are against these controls but what are the alternatives? What is labour for - not against?" (Lang, 1979).

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This meant, I think, if I read it correctly, that to all intents and purposes there was a crisis in leadership within the movement.... Let me put it this way: the nine point programme that we put before the government in 1975 ... was not seen by our membership as a viable alternative (Conference Board, 1978: 33).

The second factor which prompted the CLC to produce the Manifesto was their perception of the government's actions and intentions. As outlined above, a series of events - culminating in Prime Minister Trudeau's 'musings' - seemed to indicate that the government was thinking along the lines of corporatist arrangements, a perception which was reinforced in the minds of the CLC executive by the emphasis put by the government on 'post-control structural changes' in the bilateral fall discussions.

The CLC responded to these developments on two levels. On a private level work proceeded on the Manifesto in preparation for the upcoming biennial convention to be held in May. The Manifesto was developed in secret, with no input from the rank-and-file, the ranking officers, and only marginal input from even the Executive Committee. At a public level Joe Morris lashed out at the government's intentions, warned of the anti-democratic nature of corporatism, and held up the labour movement as "the single organization which fully recognized the danger to individual and collective rights" (CLC, 1976a) implied by the controls programme and by the move towards a permanently controlled economy. Morris, in an

article published in response to Trudeau's supposed intentions, made the following argument:²⁵ that the 'consensus exercise' had made clear that the government saw the union movement as strong, and therefore saw the need for labour's cooperation; that the government (and particularly the Liberal party) was attempting to centralize control of the economy, thereby destroying - or, at least, circumscribing - democracy; that centralization implied the need for a centralized labour movement and centralized business community; and, since this did not presently exist, that the government was using the controls program to prompt it, so that when controls terminated, a structure of control would be in place. The CLC, Morris claimed, agreed that centralization was necessary, but disagreed with the anti-democratic manner in which it was being imposed:

The fundamental difference between what the government is now proposing and what the Congress stands for is that the Congress believes that change can only come about with the consent of the people and of the institutions which they have developed to promote and to protect their interests (CLC, 1976a).

It will be useful to emphasize here three features of the CLC's position as it stood at this point in time. First, the Congress agreed with the general structure of the argument that centralized 'economic planning', involving organized labour and business, was a necessary move in order to cope with the problems of the Canadian economy. Second, the Congress

disagreed with the apparent emphasis that the government was putting on state control. That is, the CLC executive felt that the emerging structures should be based on the consent of labour and capital, thereby implying an 'equal partnership'. Third, the Congress was strongly opposed to several aspects of the existing controls programme and, while willing to participate in discussions concerning the 'post-controls structural arrangement', saw the removal of mandatory controls as the essential quid pro quo to any participation beyond the discussion stage. This latter point stemmed from a real disagreement with several aspects of the programme (particularly the lack of accompanying policies to alleviate the problems - distributional and otherwise - which controls either engendered or did not face, and the lack of a strong and effective control of prices) and from a realization that the Congress could not commit the affiliates to any sort of quasi-corporatism if the controls programme remained in place. In effect, then, the Congress was setting its terms: 'withdraw controls and we'll participate, on a voluntary basis, in instituting structures to cope with the problems which we face'. However, as yet the Congress did not have a mandate for such an adventure. Thus it was in the context of this understanding, and of the developing 'credibility gap' between the leadership and the rank-and-file that the Manifesto was developed.²⁶

The CLC's Programme of Action, although failing to generate support for the 10-point programme, was having the

effect of convincing substantial portions of the rank-and-file that the controls programme was unjust. It is clear, however, that this was not entirely due to the logic of the CLC's argument, for their case was substantially bolstered by the actions of the AIB, several of which should be noted. The inherently asymmetrical nature of incomes policies (the fact that wages and wage settlements are highly visible and hence easily controlled, while price increases and cost factors are more manipulatable and hence more difficult to control) meant that until April 1976 no price rollbacks occurred.²⁷ Although wage rollbacks began almost immediately, the AIB seemed to be inconsistent and relatively 'soft' in its application of the guidelines; but by early 1976 the Board was beginning to apply the guidelines more rigorously. The case which appears to have acted as a catalyst in prompting rank-and-file opposition to the programme was that of the Irving Pulp and Paper workers, where the Canadian Paperworkers Union had a contract rolled back from 23.8 per cent to 14.0 per cent; in addition, the workers were ordered to repay the 'excess payments' (since the contract as originally negotiated had been implemented immediately).²⁸ This case provoked angry reaction and it is generally held that it was instrumental in generating opposition to the programme (Financial Times, 16 February, 1976; Toronto Star, 23 February, 1976).

Other indications that rank-and-file pressure was building included more frequent calls for a general strike

(Citizen, 16 February 1976; Toronto Star, 24 February, 1976) the breakdown in railway negotiations (Toronto Star, 24 February 1976), the large numbers of resolutions calling for mass action being received by the CLC for consideration at the upcoming convention (Gazette, 4 May 1976), the organization of boycotts and rallies, and comments by labour leaders, such as Shirley Carr's that the CLC was "actively considering" a one-day general strike (the possibility of which, to that point, had been played down by the CLC leadership) (Interviews; Toronto Star, 8 March 1976). Finally, the CLC was scheduled to present its annual memorandum to the federal cabinet (the annual 'cap-in-hand session')²⁹ on 22 March, a ritual which had been recurring with peaceable regularity since before the turn of the century. However, the 1976 presentation had a marked difference: largely due to the organizing efforts of a group of Ottawa unionists a large demonstration was planned, the enthusiasm for which initially surprised the Congress (Interviews). On 22 March some 20,000 unionists arrived from across the country to demonstrate on Parliament Hill.

Inside the Parliament building Joe Morris was blasting the controls programme:

Whatever your intentions may have been, it is increasingly difficult for trade unionists to think of your "Attack on Inflation" as anything other than an attack on their real incomes, their basic bargaining and political rights, and the social programmes for which they have fought for years.

Mr. Prime Minister, I believe your government has a sincere desire to solve the problems of inflation and unemployment and to set the economy on a basis from which all groups can receive an equitable share of stable and sustained growth. Surely you must now realize that this objective cannot be accomplished without the cooperation of organized labour. That cooperation will not be forthcoming for a programme which we believe attacks the incomes and rights of working people and the economically powerless and undermines the institutions of the Canadian community (CLC, 1976e).

The following day the CLC declared a 'diplomatic freeze' on relations on the federal government and withdrew its representatives from the Canada Labour Relations Council and the Economic Council of Canada (Globe and Mail, 24 March 1976).³⁰ The CLC would not have escalated the public confrontation to this level had it not been pushed by the rank-and-file; although in part the CLC's tactics were influenced by a desire to express strong disapproval, the rank-and-file pressure was the factor which pushed them past what they otherwise may have been content to do.³¹

Earlier that month, on 9 March, Morris, the other executive officers, and four other members of the Executive Committee (McGregor, Hartman, McDermott and Lorrain) met quietly with Trudeau, Macdonald, Munro and several other ministers. At that meeting it was agreed that the CLC and government would continue meeting on the question of post-controls, notwithstanding the planned memorandum and demonstration. The CLC informed the government that they

felt 'obliged' to demonstrate their opposition to controls, but made it clear that they believed the labour-state discussions had been beneficial so far and that they wished to maintain the relationship (Interviews).

Between 22 March and the CLC convention more pressure was put on the Congress officers to undertake strong action. Calls for a general strike were voiced more frequently; Dennis McDermott claimed that "a general strike is a distinct possibility"; Lofty MacMillan, director of CUPE's Organization and Servicing Department (who was planning to stand as a candidate for the CLC presidency) criticized the CLC's executive, saying that "putting out a few bumper stickers doesn't change the social order"; Louis Laberge was rallying the QFL behind the notion of a one-day general strike; the Alberta Federation of Labour convention voted to support a general strike; and anti-controls demonstrations were being organized across the country.³²

By the time the CLC convention convened on 17 May, two trends had become clear. First, organized labour was unusually unified in its opposition to controls (although opinions on the precise strategy to be pursued were varied) and was strong in its support for the CLC's stance vis-à-vis controls. Second, the controls programme had a certain politicizing effect on the labour movement by focusing attention on the state's role in the economic process. The combined effect of these factors

opened a real possibility to the CLC, a possibility to advance beyond its limited role of the past and lead the labour movement rather than being led.

The remainder of this section will concentrate on briefly outlining the Manifesto, the strategy and politics behind the process and the implications of the Manifesto in regard to the CLC's position vis-à-vis the government.

The Manifesto contained two major interrelated themes - 1) an analysis of the economic situation and the government's presumed policy directions, and 2) organized labour's stance with respect to both.³³ The CLC essentially concurred with what it perceived to be the state's general analysis of the economic situation: fiscal and monetary policies were not sufficient in the economic context of the 1970's and it was therefore necessary to supplement these traditional 'arm's length' policies with more direct intervention. Where the CLC parted company with the government was on the questions of 1) what types of new policies should be introduced, and 2) in what manner new policies should be developed and implemented. The Manifesto argued that the present policy being (wrongly) pursued was a combination of cutbacks on social programmes and a restriction of wages; and further, that these policies were being pursued without regard to democracy.

The Manifesto also addressed the direction of state policy, interpreting the debate on de- and post-controls as

indicative that the state was moving in the direction of 'liberal corporatism':

Decontrols may mean a kind of liberal corporatism in which organized labour co-operates with the state and business to establish guidelines for our respective demands on the economic system and to determine our respective shares. It may include a small dose of economic planning but is unlikely to involve more than systematizing the present substantial but fragmented assistance provided to industry by government (CLC, 1976f: 9).

While the Manifesto made clear that the CLC agreed with the need for new policies to supplement traditional ones, it also made clear that the controls programme and 'liberal corporatism' were unacceptable. For organized labour it was necessary to defeat controls and institute changes in the economic and political institutions of society, changes which would differ fundamentally from liberal corporatism. And the ability to institute this new arrangement - 'social corporatism',³⁴ - hinged on labour's ability to defeat controls:

If we do not have the power to resist wage controls then we will be ultimately co-opted into serving the government's intentions. In this case we would have liberal corporatism. The corporations may not unite to defend their collective self-interest but the government will permanently intervene to reduce the rights and incomes of working people. In this development tripartism would mean that the institutions of organized labour would function to ensure the acquiescence of workers to decisions taken by new institutions in which their representatives have no real power.

However, if we do have the power to resist wage controls, then we also have the power to create social corporatism. But for this result to occur, organized labour needs to develop national bargaining power to deal with the national economy managers and a national social and economic programme - a bargaining position (CLC, 1976f: 11).

The strategy was clear: organized labour accepted the need for change, but would not accept either wage control or 'liberal' corporatism; instead, 'social' corporatism (or 'tripartism') was to be the labour's direction. And the CLC's major condition of entry into tripartism hinged on a specific demand:

A prerequisite of tripartism must be that management gives up its unilateral right to determine investment and pricing policies. Labour must not enter willingly into any arrangement where only half the income equation, ie. wages, is to be determined. To do this would place labour continually on the defensive for all time. To enter into a tri-partite agreement under such adverse circumstances would indeed be using the union organization as an arm of both business and government to restrain the workers (CLC, 1976f: 12).

Expressed more generally:

What is required is change in the way that important economic and social decisions are made. Business and government must now share their power with labour (CLC, 1976f: 12-13).³⁵

And the achievement of these goals required a show of force in opposition to controls and in support of tripartism, which in turn required an alteration in the structure of Canadian organized labour:

... there is great danger in being co-opted in a tripartite policy-making process involving the bureaucracy, business, government and labour. Labour's strength at the moment is fragmented among its affiliates and at the plant level.

In the future the CLC must have the power which can only come from the collective strength of its affiliates. There must be agreement between all the affiliates that a full cooperative and

co-ordinated effort will be forthcoming to guarantee that the CLC is operating from a position of strength to protect the rights, freedoms and legitimate interests of all workers. The Executive Council, as the responsible decision-making body between conventions, must be assured that the policies and decisions it makes will be followed closely by all the affiliates (CLC, 1976f: 13).

Linked to the Manifesto was a second policy document - the Programme of Action. The Programme reiterated the need for solidarity and commitment to the fight against controls and in support of the Manifesto; the affiliates were charged with the responsibility of organizing support and mobilization; and, in the event that wage controls were not withdrawn:

... the Executive Council, in full recognition of its responsibilities to the Congress, the affiliates and their membership and our country, recommends to this Eleventh Constitutional Convention that we dedicate ourselves to fight for the principles expressed in the Manifesto and to give the Congress through its Executive Council, a mandate to organize and conduct a general work stoppage, or stoppages, if and when necessary (CLC, 1976f: 25).

Both policies were passed by large majorities.

Before concluding this section with a general discussion of the implications of the official policy of the CLC, it is necessary to briefly outline the politics and strategy behind its formulation.³⁶

Work on the Manifesto began in December 1975 under the direction of Joe Morris, and the Executive Council first saw a draft sometime in March. Between March and May the Manifesto and Programme of Action were refined and put into final form.

One week before the convention opened the Executive Council was shown the final draft which they adopted unanimously - although apparently after deleting a paragraph which more expressly called for a delegation of power from the affiliates to the Congress (Toronto Star, 20 May 1976). On the evening of 16 May, the night before the convention opened, the ranking officers met and were told of the Manifesto and Programme of Action. Only one of the union leaders expressed dissatisfaction with the Manifesto's implications - Joe Davidson, national president of CUPW. The delegates received the documents the next morning, only a short time before debate commenced, causing many (even the supporters) to complain bitterly. Indeed, Congress officials have, in retrospect, admitted that they were guilty of 'poor tactics'. But 'poor tactics' is not a sufficient explanation of this rather questionable procedure; for the delegates were not simply upset that a policy statement was sprung upon them, but because of the nature of these policy documents. The Manifesto and the Programme of Action were supposedly of fundamental historic importance to the trade union movement since they charted an essentially new course for organized labour, a course which was supposed to take the CLC far beyond any point it had previously attempted to reach. The Manifesto outlined a centralization of authority within organized labour as well as an involvement of labour leaders in the formulation and administration of national public policy.

Given the "historic importance"³⁷ of the Manifesto it perhaps would have been expected that the document would have been circulated and debated prior to the convention, so as to ensure widespread understanding before the final debate; however, it seems clear that the CLC was bent upon avoiding internal criticisms and therefore adopted a procedure calculated to preclude the kind of debate which many thought should have taken place.

Two further points should be made in relation to the strategy employed in the introduction of the Manifesto and Programme of Action. First, the two documents were explicitly linked together, the purpose of which was to satisfy those advocating an immediate general strike. The CLC leadership did not want a general strike, preferring to pursue discussions with the state (partly because they wished to avoid the label of 'irresponsibility' which was bound to be attached to any officially-sanctioned mass action partly because they believed the corporatist route held the most promise; and partly because they were unsure of the ability of organized labour to actually carry out a general strike). But, in order to gain a sufficiently strong mandate for tripartism, it was necessary to at least provide the possibility of militant mass action; thus the Programme of Action was the quid pro quo for the mandate to continue discussions, and the two documents together can be viewed as a compromise or resultant. Second, in view

of the short time in which the delegates were forced to consider the Manifesto, the language and terminology were not unimportant, for, as one experienced delegate has noted, "if you use the right words and phrases, you can get anything passed at a convention" (Interview). The invoking of terms and phrases which were sure to conjure up images of a social democratic Valhalla, was a critical strategic ploy. Such terms as 'solidarity', 'equality', 'justice', 'planning', 'progressive', etc., littered the Manifesto, thus covering the corporatist mandate in an easily-swallowed coating.

Despite the efforts of the Executive Council to avoid a contentious debate on the Manifesto, many delegates rose to assail its implications. Almost all the delegates who spoke criticized the procedure by which the Manifesto was introduced (except those members of the Executive Council who spoke - McDermott, Carr, Laberge and Williams). The speakers from the Executive Council strongly endorsed the Manifesto, as did John Fryer of the BCGEU, delegates from the Steelworkers and several other international unions (such as the IAMAW and the IBEW). Speaking against the Manifesto were delegates from CUPE, CUPW, NUPGE, SEIU and UE, most of whose criticisms of the Manifesto stemmed mainly from its corporatist overtones. C.S. Jackson of the UE quickly caught the contradiction between the Manifesto and the Programme of Action (ie. the ambiguity which resulted from the trade-off between discussion with the

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state and mass action):

If this Manifesto is adopted, I say that that will immediately cut the heart out of the burgeoning movement for a general strike. How can you ask the workers to go on a general strike against the boss when the leadership of the Congress is going to be sitting down with the boss? What happens when labour meets the big corporations? To do that would imply to give something away in return. What are you going to give? What are you going to trade in order to get the corporations to stop exploiting the working people, to stop the corporations from ruining the economy, from building unemployment, from continuing the inflation? These are the things you have to ask, these are the answers you must give the workers. Corporatism under any name is just another name for fascism (CLC, 1976f: 21).

Although most of the delegates speaking on the question were critical of the Manifesto, it was endorsed by a large majority, primarily because the strategy of the Executive Council more than balanced the critique launched by the left. Debate on the Programme of Action was less contentious, since most of the delegates were in favour of militant action, and since most of the Executive Council rose to support it.

A week before the convention convened Ed Finn had predicted how debate would unfold:

... the hawks ... will have a field day at the mikes, and their call to arms will be wildly applauded. The doves will applaud them too, for they like to give the appearance that they are having a hard time restraining the super-militants.

It always helps the moderates, when they are dealing with the government, to raise the spectre of ferocious hordes who can be held back only with difficulty by their leaders. The implication is that the alternative to voluntary concessions is civil war.

The test will come as the debate reaches its climax. After the general strike advocates have been cheered and acclaimed, and the moderates booed, some establishment spokesman will get up to push the convention back from the brink. He'll probably do it very adroitly, by admitting that a general strike may eventually be necessary then appealing to the delegates to leave it to the discretion of the CLC's Executive Council (Toronto Star, 10 May 1976).

While events did not unfold exactly as Finn had predicted (in that the compromise was already contained in the policy statements), he accurately perceived how the strategy of the CLC Executive Council would operate.

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This section has sketched the interwoven forces which led to the development of Labour's Manifesto for Canada, forces which can be interpreted on two levels - the labour-state level and the intra-CLC level.

At the level of labour-state relations the Manifesto can be interpreted as a response to the wage controls programme, a response which was conditioned by several factors. The imposition of controls seems to have prompted a reconsideration by the CLC of their earlier refusal to participate in a voluntary incomes policy, which in turn led to the question of organized labour's 'conditions of entry' detailed in the Manifesto. This line of reasoning stemmed from a dual concern on the part of the CLC leadership. First, they could not and

would not support mandatory controls. Their criticisms of the controls programme were rooted in a deep-seated distaste for unilateral state interference in collective bargaining, as well as an honest (and correct) belief that the controls programme was biased against the working class. Thus an alternative was needed. Second, the route of mass action was strewn with two potential pitfalls: the initial difficulty in generating rank-and-file militancy (which was not unrelated to the fact that the leadership of the Canadian labour movement had spent much of the previous century and one-half working to avoid mass political militancy) did not, at the time, bode well for a general strike; and the pervasive effect of the need to adhere to 'responsible unionism' served also to turn the leaders' eyes in another direction.

The apparent intentions of the federal government also conditioned the eventual response. With other routes closed off, the CLC leadership, on the basis of their analysis of the government's policy direction, turned to an option which appeared to hold some promise - 'tripartism'. This was not simply to avoid mass action; and neither was it a total capitulation. For, while the CLC leaders agreed with the general necessity of restraint, they stipulated quite precise 'conditions of entry'. Thus the Manifesto, on the level of labour-state bargaining, can be interpreted as a 'response' to the controls programme.

However, the foregoing is only a partial explanation as it ignores a second set of conditioning factors, that is, those at the intra-CLC level. As noted above, from the perspective of the leadership it was desirable to appear 'responsible' and thus avoid, inasmuch as possible, more militant action. But this avoidance had to take into account the momentum behind the calls for militant action, the fears likely to be engendered by the Manifesto's corporatist overtones, and the anti-centralization sentiments sure to be aroused by proposals to shift the balance of power and authority in the Congress. The calls for militant action were 'satisfied' by linking the Manifesto with the Programme of Action; the fears of corporatism were (partly) avoided by springing the Manifesto on the convention, thus preventing a consideration of the implications underlying the social democratic imagery, and by setting down a series of conditions calculated to satisfy most of the delegates; and the anti-centralization sentiments were stilled when the explicit reference to delegation of authority was excised, and by treating 'free collective bargaining', independent trade unionism', etc., as a sine qua non of tripartism.

Thus the Manifesto should be understood as a response to the state which was shaped and molded by both the 'leadership logic' of the CLC and by the forces and conflicts internal to the movement; the Manifesto was, in other words, a mediated demand.

2. May 1976-October 1976: From the Manifesto to the Day of Protest

This section will trace the series of events following the adoption of the Manifesto and leading to the National Day of Protest on 14 October 1976. Particular emphasis will be placed upon the bargaining positions of the CLC and the state, while preparations for and the execution of the Day of Protest will not be dealt with extensively. Finally, the beginnings of state-business and labour-business discussions will be touched upon, as will relevant developments within the state.

Joe Morris met John Munro on 25 May and arranged a CLC-government meeting for 17 June to discuss the Manifesto. The CLC executive had some cause to be optimistic about the up-coming discussions in light of a relatively favourable public reception of the Manifesto by the government, and by John Munro in particular (eg. Globe and Mail, 26 May 1976). In addition, the Deputy-minister of Labour, Tom Eberlee, was responding favourably to a recently released report on the West German 'concerted action programme', and the Department of Labour was generally advocating a 'larger voice' for organized labour in the state policy formulation process (Financial Times, 24 May 1976). Much of this advocacy was being voiced in the DM 10 - the committee of deputy-ministers established in the spring to develop proposals for 'post-controls society' - in which the Labour Department was arguing for a 'tripartite or multi-partite council' to deal with broad

social and economic concerns.³⁹ As well, Ministers and senior government officials were apparently "very interested" in the Manifesto, although most considered it "too radical" (Interviews).

On 17 June Trudeau, Macdonald, Munro and Jean Chrétien (the Minister of Industry, Trade and Commerce) met with the executive officers of the Congress (ie. Morris, Montgomery, Major and Carr) and four other members of the Executive Committee - McDermott, Lorrain, McGregor, and Staley. At this meeting, the CLC offered the Manifesto as an alternative to controls, but were told that their proposals were too vague and that the Manifesto seemed to advocate a usurpation of parliamentary control over significant policy areas. The CLC then undertook to define their proposals more precisely and another meeting was scheduled for 12 July.

In response to the government's concerns an internal CLC policy paper (CLC, 1976i) was drafted for consideration by the Executive Committee at a meeting on 5-6 July. Based on the policy paper and on the Executive Committee's discussions, a position paper (CLC, 1976i) was developed for the 12 July meeting with the government. The position paper dealt with three broad topics: 'tripartism', 'areas of concern', and 'minimum conditions under which the CLC would enter into a tripartite arrangement'. Under 'tripartism', the CLC outlined what it did not mean by 'equal power sharing' (ie., "choosing the Minister of Labour and running him in a safe seat", "having

labour represented by a third of the seats in the Senate", or "one-half" the Cabinet) and went on to propose a tripartite institutional arrangement. A Council of Social and Economic Planning was to be formed as an umbrella body overseeing various subordinate boards and agencies "which would be responsible to the Council and which would be carrying out the administrative and planning functions over the areas for which the Council had responsibility as set out in the terms of reference" (CLC, 1976j: 3). Further, the CLC claimed that there need be no concern over infringement of parliamentary supremacy:

The specific problem of devising a structure which respects the prerogative of Parliament and of responsible government while allowing for the participation of business and labour in the development and implementation of policy is relatively straightforward. What is required is legislation by Parliament which legally creates the tripartite board or agency which we contemplate. The same piece of legislation would set out the policy area over which the tripartite body would have jurisdiction through the terms of reference (CLC, 1976j: 2).

Under the second head - 'areas of concern' - the CLC proposed a Labour Market Board (as one of several possible subordinate agencies) with responsibility for: "forecasting both short and long-term changes which the labour market is undergoing on a local, regional and national basis; training and retraining of workers; mobility grants to workers and their families; closely regulating immigration to the economic

absorptive capacity of the economy; and Unemployment Insurance which will guarantee that unemployed workers are guaranteed insurance compensation" (Ibid.: 4). In order that the Board be capable of fulfilling these responsibilities the CLC proposed that it "must have the power and authority to channel investment funds, both public and private, or to hold back on proposed projects so that cyclical and regional unemployment can be evened out." Several possible mechanisms to achieve this were proposed: a Board-controlled investment fund; authority to regulate the timing and location of private and public investment projects; authority over the timing and letting of government contracts for purchase of goods and services; and/or control over investment-related tax levers (Ibid.: 5-6).

Under the third head - 'minimum conditions under which the CLC would enter into a tripartite arrangement' - the CLC listed two 'minimum conditions' and outlined the basic areas of responsibility of the proposed Council of Social and Economic Planning. The two minimum conditions were: "the removal of present wage controls" and "a commitment by the government to legislate a tripartite structure" vested with certain powers, including: responsibility over income distribution (through an incomes policy), social policies (through active participation in such policy areas as pensions, workers' compensation, minimum wage levels, etc.) and the development of an industrial strategy.⁴⁰

The position paper can obviously be viewed as a bargaining position vis-à-vis the state, but it also must be interpreted with reference to the internal politics of the CLC, as the original policy paper (addressed to the Executive Committee) made clear:

The real crunch for the trade union movement is what it can or is willing to do in the area of collective bargaining. We want a say over other forms of income including investment but we have not as yet acknowledged that we are also talking about labour's share of the national income. This is a question which we can expect the government to put to us and the political realities within the movement are such that this is the most tender area for the CLC to tackle. The Executive Committee must prepare themselves to deal with the issue - both with the government and the movement (CLC, 1976i: 13).

The Executive Committee handled the issue with respect to the government by including the following statement in the position paper:

As part of an incomes policy the Congress also recognizes that collective bargaining is an important element and it is prepared to work in this area as in others. The Congress is not, however, prepared to subject wages to an incomes policy administered by the Council if investments and corporate profits are not similarly under the Council's purview (CLC, 1976j: 9)

In terms of the issue's relation to the movement, it was for the moment, left unaddressed.

On 12 July Trudeau, Macdonald, Munro, and several other ministers met with the four CLC executive officers and McGregor, McDermott, Lorrain and Hartman, at which time the CLC presented its position paper. The government representatives

(privately) considered the proposals as "less radical" than the Manifesto and promised a response by early August (Interviews).

Between this meeting and the next (eventually held on 6 August) the CLC came under increasing pressure to mount some action in opposition to controls. Pressure was mounting at both the rank-and-file and leadership level. For instance, several bitter strikes had erupted during this period: in early June Inco workers in Thompson, Manitoba walked out (against the wishes of union leaders) in protest over an AIB ruling (Gazette, 31 May 1976; Montréal Star, 3 June 1976); at Kitimat, British Columbia Alcan Workers struck illegally for a reopening of contract negotiations (Toronto Star, 11 June 1976; Gazette, 14 June 1976); in Alberta, Kaiser Resources employees struck for six weeks over an AIB ruling (Herald, 26 June 1976); in July, employees of the Saskatchewan Power Corporation walked out to protest a rollback by the provincial board (Financial Times, 19 July 1976); and several unions and provincial federations of labour began canvassing their membership to determine whether there was support for a general strike. In addition, several labour leaders were openly promoting a general strike, although others, including the CLC officers were either counselling against such action or actively resisting it. As an example of the former, on the weekend previous to the 12 July CLC-government meeting, the

CUPE National Executive Board endorsed a national general strike (with Grace Hartman commenting that, "the government has refused to listen to any worker representatives who have tried to suggest positive ways of controlling inflation without harming working people") (Gazette, 12 July 1976). As well, in late June Henri Lorrain's CPU voted to endorse a general strike (Montréal Star, 30 June 1976); the National Director of the Steelworkers, after having polled the membership, commented that a general strike was "in good shape" (Toronto Star, 29 July 1976); and Dennis McDermott was generally thought to be in favour of some sort of general strike (Ibid.). On the other hand, several leaders expressed opposition to a general strike, notably the leaders of the railway brotherhoods, Ken Rose of the IBEW (Ottawa Journal, 5 August 1976), and Andy Stewart of the PSAC (Globe and Mail, 16 August 1976).

In this context the CLC Executive Council met on 29 July to hear a report from the Executive Committee on the discussions with the government, and to consider what course of action to follow.

The meeting focused on several broad questions: the meaning and implications of tripartism; the CLC's relationship with the NDP; and the question of a general strike. In regards to tripartism, a discussion paper written for the meeting noted that "from the many reports, discussions and conversations that have been filtering back to the Congress since the Quebec

convention it is becoming clear that some reservations and uncertainty prevails at all levels of the movement regarding the Manifesto" (CLC, 1976k: 1). The discussion paper attempted to clarify the institutional implication of tripartism, summing it up as a demand for "a fundamental restructuring of Canada's institutions", including governmental decision-making, the business community and organized labour. The centralization of organized labour was explicitly raised:

The concentration of power which labour has exhibited because of wage controls has resulted in a new power centre being created in Canada. This new power centre, along with the new policy of the Manifesto has applied pressure throughout the Canadian community to which all other institutions must respond. The success of labour to force change in the direction of the Manifesto will depend upon labour's capacity to wield and accumulate even greater power (Ibid.: 2).

The question of the CLC's relationship with the NDP was also raised. Noting that two provincial NDP governments supported controls, the paper spoke of a need to enter 'tough discussions' concerning the CLC-NDP relationship, but concluded by noting that the aims of the Manifesto would be best achieved if a social democratic party was in power. Finally, the question of a general strike was raised and linked with the Manifesto:

The success in implementing the aims and objectives of the Manifesto is ... closely related to the mobilization of labour's resources for a general strike. The Trudeau government will not be moved unless confronted by power. Labour's power to conduct a successful national strike is also the kind of naked power which government respects.

The national strike and the Manifesto are mutually dependent objectives. Our opposition to wage controls is also the method for achieving the Manifesto (Ibid.: 5).

Despite the pressure for immediate mass action - that is, the calling of a general strike - Morris and the moderates on the Executive Council were successful in delaying a final decision until after the upcoming meeting with the Cabinet. The hesitancy of the moderates was grounded in an unease over the legitimacy of a general strike, in uncertainty over the potential reaction of employers, and in doubts concerning the likely response of the rank-and-file; the advocates of a general strike were basing their position on the lack of success of the labour-government talks, pressure from the rank-and-file, and the internal legitimacy of the labour leadership in the face of their continued inaction. These positions were resolved by delaying a final decision until the government responded to the CLC's position paper in August.

On 6 August the CLC Executive Committee again met with Trudeau and several of his ministers.⁴¹ The CLC's position was that if the government would undertake to terminate the controls programme at a significantly earlier date than originally planned, then organized labour would not engage in any further pressure and would 'cooperate' in post-controls arrangements along the lines set down by the Manifesto. The government's position was that decontrol mechanisms would have to be developed and consented to before an end to controls

could be announced, and further indicated that they were willing to continue discussions on this basis (Interviews). While the moderates on the CLC executive would probably have agreed to this - or, at least, would have agreed to postpone the calling of the Day of Protest - the government's position was not sufficiently close to the compromise terms set down by the Council on 29 July. The CLC informed the government that they were compelled to proceed with the Day of Protest and that official discussions could not resume until after that event.

On 12 August the final decision was made.⁴² The Executive Council met and endorsed the recommendation of the Executive Committee, followed by a meeting of the ranking officers where endorsement was also obtained for a National Day of Protest to be held on 14 October 1976. As noted above, the extensive preparations for and execution of the Day of Protest will not be dealt with here, except by way of a strategic evaluation. However, before turning to this, and to an evaluation of the summer talks, it is necessary to draw attention to several significant events which occurred between late August and October.

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this all changed when Donald Macdonald announced in the budget speech that profit controls would be tightened.⁴³ Over the summer, business criticisms of the AIB - and especially of the proposed new guidelines - mounted rapidly: several corporations published 'open letters' to the government expressing dissatisfaction;⁴⁴ more than 500 (invited) briefs on the proposals were received by the AIB, the vast majority critical (AIB 1979: 81-86; Toronto Star, 26 July 1976); and by late August the Canadian Manufacturers Association and the Canadian Chamber of Commerce were threatening to withdraw their support for the controls programme (Citizen, 8 September 1976). In response to this pressure, and despite the position of the Finance Department that more stringent profit controls were necessary, the government announced in September that although the price and profit guidelines would be altered, the changes would be less severe than originally planned (Globe and Mail, 8 September 1976).⁴⁵

In September the business community entered the consultative fray on a bipartite basis with both the government and organized labour. Although no formal meetings between the government and the business community had previously taken place, the Departments of Finance and Industry, Trade and Commerce had been meeting with certain business leaders over the spring and summer. (Trudeau had attempted to schedule a tripartite meeting for September, but the CLC refused to

participate until the Day of Protest was out of the way (Interviews).) On 13 September, sixteen business people arrived in Ottawa to meet with Trudeau, Macdonald, Munro, and several other ministers.⁴⁶ The meeting focused on two main issues - a review of the economy, and the topic of consultative structures in general and the CLC's Manifesto in particular (the discussions about the economy will not be dealt with here). On consultation in general the two sides were agreed that it was a 'good thing' and should continue; but the proposals contained in the Manifesto were not met with a great deal of enthusiasm. The view of the business people was that they, personally, were unable to present a 'business consensus view', that they preferred a bipartite rather than tripartite consultative process, and that they were "firmly opposed to having any administrative or decision-making responsibility" (Barclay, 1979: 2). The business group also expressed dissatisfaction with the manner of the meeting (the lack of advance notice as to the list of participants, the lack of an agenda, the lack of an opportunity to exchange position papers, etc.), agreed to a further government-business meeting, and decided, amongst themselves (after the meeting) that the staff of the newly-formed Business Council on National Issues (BCNI) should serve as a secretariat to coordinate the business group for future meetings.

Representatives of business had another meeting in September 1976. A small group of business people met privately

with Joe Morris, several other members of the CLC Executive Committee and Ron Lang in the Montreal boardroom of Consolidated Bathurst to discuss a joint labour-business strategy vis-à-vis the government and controls. Ron Lang has summed up the purpose of this and subsequent meetings as follows:

The CLC ... quietly laid the groundwork for a business/labour dialogue in an effort to do a number of things (a) make an end run around the government by meeting with the same business group with which the government was holding discussions, (b) achieve a business/labour position of opposition to wage controls, and (c) begin a permanent dialogue between the CEO's of the business world and the leadership of the labour movement (Lang, 1979: 5).

Thus by September, representatives of capital were beginning to participate in the 'consultative process' (as it had become known) - partly due to the government's proposals concerning profit guidelines and the resultant surfacing of anti-controls sentiment, and partly due to the government's expressed interest in 'structural changes'. Between these meetings in September and the Day of Protest, no further bipartite meetings were held.⁴⁷

Between late August and October it became increasingly clear that the Day of Protest would not be a total success; indeed, several unions immediately renounced the whole idea, while others expressed only tenuous support. The actual number of workers who stayed off the job on 14 October had been variously estimated at 800,000, 1,000,000 and 1,200,000.⁴⁸ In

any event, as one CLC Executive Council member put it, "its like arguing whether a glass of water is half-full or half-empty" (Interview). In historical terms the Day of Protest was an unprecedented success; in strategic terms the outcome was more ambivalent. The government, although downplaying their concern, took note of the (relatively) increased cohesion of organized labour and the political leadership demonstrated by the CLC; the CLC leadership, although ebullient in their public evaluations, were dissatisfied enough to squash any notions of a repeat performance (Interviews). In sum, from a strategic viewpoint, the Day of Protest is perhaps best considered a draw - neither organized labour nor government gained or lost significantly in terms of bargaining strength.

The Day of Protest did affect the internal power balance of the CLC (although not dramatically) because of the differential performance across the movement. In general, the private-sector industrial unions (eg. UAW, Steelworkers) were more successful than the public-sector unions (notably CUPE) in ensuring membership participation. In light of the fact that the public-sector unions had been among the most vociferous in demanding a general strike, they were to a certain extent discredited by their poor performance, thus somewhat shifting the balance of influence.

Two broad factors can be cited to explain the lack of broader support for the Day of Protest (by all unions). First,

for years the labour leadership had been telling the rank-and-file to 'respect the law', not to engage in wildcats and not to strike until the legal procedures had been observed. Clearly this played a role in convincing the membership that they should not now engage in a political strike. (This factor was more serious in the public sector where the state was the employer). . Second, the initial strategy of the CLC - to pursue the 'responsible' route of discussions and negotiations with the government - resulted in a demobilization; this was further exacerbated by the fact that the CLC never attempted to mobilize support for the Manifesto; and since many (correctly) perceived the Day of Protest as a strategic ploy to strengthen the CLC's hand in labour-state discussions, there was not the same degree of enthusiasm as there might have been had controls been the sole focus.

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It is important to distinguish between the two levels of conflict which underlay the events dealt with in this section. Between organized labour and the state the issues had altered somewhat: although still clinging to their insistence that wage controls be abandoned, the CLC had withdrawn their 10-point programme and substituted an explicitly corporatist proposal (which, albeit, contained several elements of the previous

programme). As was suggested in the previous section, the proposal originated in the Congress' perception of the government's intentions, in the desire of the CLC leadership to avoid mass action, and in a reconciliation of conflicting viewpoints in the Congress. The government, for its part, saw the Manifesto as too 'radical' (both from their own perspective and from their view that capital would be unenthusiastic, not to say structurally unprepared). When the CLC concretized their proposals the government's opposition softened, but focused instead on the position that the withdrawal of controls would have to be preceded by agreement on de- and post-controls arrangements (ie. a commitment to voluntary restraint).

The second level of conflict was internal to the CLC. Even before the summer discussions with the government commenced, the CLC was under pressure to step up its attack on controls, pressure which the moderates managed to withstand until it became increasingly obvious that negotiations would not result in the immediate withdrawal of controls. At that point the moderates' position became untenable, and the Day of Protest an unavoidable consequent.

The CLC's bargaining position and the subsequent decision to call the Day of Protest should therefore be interpreted in light of both dimensions: the Manifesto and the Day of Protest were strategic responses to the government's

(perceived) position (the Manifesto being a response to government's wage control policy and to the indications that a corporatist arrangement was in the offing; the Day of Protest being a strategy to boost the CLC's bargaining power in the face of the government's response to the Manifesto); but the Manifesto and Day of Protest must also be interpreted as 'resultants', policies which were shaped by, and took into account, the major differences and conflicts which interpenetrated the Congress.

In view of the debate over corporatism which would soon emerge within organized labour, it is necessary to briefly comment upon several aspects of the Manifesto. The Manifesto put forth proposals sufficiently similar to Panitch's (1979) definition for it to be labelled corporatist, however it is important to note an important distinction. Panitch notes that, not only does corporatism involve a "linkage constituted by institutionalized representation in public policy-making [and] by interaction in this process among the groups themselves" but also by "an element of state control over the groups" (1979: 45). While the CLC's proposal could not be expected to endorse "state control over the groups" (note their rejection of "liberal corporatism"), it is important to underline that their conception of tripartism involved "equal power-sharing" in the formal sense, a position which would prove to be a stumbling block in future negotiations.

It is important to note one other difference between 'pure' corporatism and the CLC's Manifesto. Although not specifically referred to, corporatism is usually assumed to be imposed - or at least, proposed - by the state, not by either capital or labour (whom, nonetheless, may assent). The fact that it was the CLC that proposed a corporatist arrangement, and not the state, raises questions as to the accuracy of the CLC's reading of the government's intentions. As well, it also raises strategic questions, for it was the CLC's proposal that was 'on the table' - at least until October 1976. These questions will be dealt with in Chapter VI.

3. October-December 1976: The Way Ahead and Opposition to Tripartism

The purpose of this section is to trace the development of events between October and December 1976, a period during which the state 'responded' to the Manifesto and the Day of Protest and during which the CLC executive faced the first significant internal challenge to their goal of tripartism. Again the discussion will focus on two levels of conflict - that between organized labour and the state and that within organized labour.

Several days prior to the Day of Protest, Parliament opened with the announcement of two significant policy initiatives - the first being the working paper The Way Ahead: A Framework for Discussion (Canada, 1976b), the second being

the announcement of John Munro's 14-point programme for industrial relations policy.⁴⁹ The Way Ahead was the result of the DM 10's efforts to develop policies for post-controls society, deliberations over which and begun the previous spring.⁵⁹ The Way Ahead was considered to be a failure by those concerned with developing a strategy for structural change: the mandate given to the DM 10 was the development of fresh initiatives; instead, as one top civil servant remarked, "the proposals were just a mixed up regurgitation of old ideas", and the document itself breathed little fresh air into policy thinking/(Interview).

Rather than extensively analyzing The Way Ahead in isolation, it will be more fruitful to consider it from the perspective of the CLC, for its relevance to the themes of this chapter is rooted in its status as a response to the Manifesto. First, however, it will be useful to note briefly the orientation of the government during this period.

The Departments of Labour and Finance had been centrally involved in the Spring 1975 consultative exercise (due to Finance's leading role and the necessity to win organized labour's support). Over the summer of 1975 and up to the imposition of controls, Finance essentially directed the formulation of the controls programme; however, with regard to the initiatives for 'structural change' during the

'breathing space' which controls was supposed to provide, Finance did not provide the same degree of internal leadership: "... the structural initiatives would have to be left to others. Finance might show sympathy, but rarely leadership" (French, 1980: 67). Within the DM 10 committee the Department of Labour advocated formalized consultative structures, but with the arrival of the Manifesto, responsibility for the consultative process began shifting toward the PCO (due to the heavy ministerial involvement in the government-business and government-labour talks). Thus by the fall of 1976, the PCO was playing the central role in the consultative process.

In early November the Cabinet Committee on Priorities and Planning decided to proceed with consultations, however this decision took place in the context of some degree of conflict and confusion within the PCO over the ultimate purpose. Some advisors were advocating a corporatist line, while others were stressing the "need to open up the governmental decision-making process to the public." In any event, it was decided that continuing the consultations, despite the lack of a coherent strategy, would probably prove "worthwhile" (Interviews).

To turn, then, to the CLC's response. A number of issues were raised in internal Congress discussion papers⁵¹ following The Way Ahead and the Day of Protest: the meaning of The Way Ahead as a statement of state policy direction; The Way Ahead as a 'response' to the Manifesto; the relation

between the Day of Protest and the Manifesto; and the strategic course which the CLC should adopt in light of these issues.

The Congress was extremely critical of the specific proposals advanced by the government (that is, those in the second part of The Way Ahead): the proposals were interpreted as advocating a return to free market philosophy, as being overly concerned with inflation with a consequent subordination of other policies (eg. employment and social policy), and as an attempted rapprochement by the Liberals with the business community (their "traditional allies"). In terms of The Way Ahead's relation to Manifesto, the CLC analysts saw the government's position as a response on two levels: on the one hand, The Way Ahead was interpreted as a strategy to recapture the initiative, to impose a government agenda from which to discuss de- and post-controls; on the other hand, The Way Ahead was interpreted as a challenge to "both the general position adopted in the Manifesto on the role of government in post-controls society and a number of its specific policy positions" (CLC, 1960o: 18). On the role of government in general the CLC felt that The Way Ahead, through its glamorizing of the free market, was a rejection of more government economic intervention and thus a rejection of the Manifesto's position that in order to promote social objectives there was a necessity to attenuate the control of private capital. In terms of a response to specific policies contained in the Manifesto

and the 17 July position paper, the CLC again interpreted The Way Ahead as a rejection. Such CLC demands as income redistribution, public (ie. tripartite) control over investment, and employment strategies were not met, thus constituting a rejection of the principles and goals of the Manifesto.

The relationship between the Day of Protest and the Manifesto was also considered. The Day of Protest was seen as fairly successful in itself, and it

succeeded in moving in the direction of accomplishing three major objectives by -

- 1) Establishing the beachhead for future CLC initiatives.
- 2) Serving to unify and centralize leadership and therefore power in the CLC.
- 3) Confirming the CLC as the voice of organized labour in the eyes of the government and the public (CLC, 1976n: 1).

Further, are:

It must be remembered that the major thrust of the "Day of Protest" was directed at defeating the federal wage control programme. The response from the CLC's affiliates, with a few major notable exceptions, was everything which the Congress hoped it would be. The response, however, cannot be interpreted as support for the Manifesto. It is common knowledge that the Manifesto is running into opposition from some of the very same affiliates which were the strongest in supporting the National "Day of Protest". It is one thing to be against wage controls; it is quite another to be for the Manifesto (Ibid.: 2-3).

The same paper from which the above is excerpted went on to warn that "Those who oppose the Manifesto are already at work mobilizing support for their position" and that, in order to gain support for tripartism it would be necessary for the CLC to launch a "massive educational effort ... to acquaint the

membership with the aims and objectives of the Manifesto in all its aspects" (Ibid.: 3).

The CLC leadership was, therefore, concerned with the government's seeming orientation and 'response' to their position, as well as being equally concerned with the internal defence of the Manifesto and the mobilization of support for its pursuance. From this position of double conflict it was necessary to develop a strategy vis-à-vis the state and vis-à-vis the membership; a strategy which would accommodate the demands of the membership for action and dampen the growing concern over tripartism within the movement; and a strategy which would be effective in gaining sufficient concessions from the government to convince the affiliates and membership that the light of tripartism could guide the movement in the pursuit and attainment of its fundamental goals.

On 9 November, the CLC publicly released the position paper which had been presented to the government on 12 July, a move partly designed to still some of the growing unease over tripartism, an unease which was beginning to be expressed openly. For example, delegations at the Saskatchewan Federation of Labour convention in late October had approved a resolution opposing "any move toward control of wages by the CLC" and had debated, and criticized, tripartism (Star-Phoenix, 30 October, 1976). Additionally, in November, the Ontario Federation of Labour convention delegates expressed their misgivings on the

issue (Globe and Mail, 23 November 1976; CP, 23 November 1976).⁵²

The issue of labour's support for the NDP was also raised in late November. The basic criticism on this level related to the possibility that the CLC would be involved with the Liberal government in instituting a corporatist structure: the NDP and some of their supporters in the Congress were claiming that the Manifesto did not reflect the 'traditional ties' between organized labour and the party, and were pressing for modification. The CLC, in response, advanced two counter-arguments: first, that the Federal NDP's opposition to controls was not, by itself, likely to result in a withdrawal of the programme and, furthermore, that the adoption of the controls programme by NDP governments in Manitoba and Saskatchewan illustrated that labour couldn't place too much faith in 'their' party; second, it was admitted that the establishment of 'tripartism' would indeed be easier if an NDP government was in power, but since this eventuality did not appear to be close at hand, the CLC should press ahead to gain what was possible in the time being. The CLC Executive Committee met with the NDP executive on 29 November to deal with this issue, but despite some six and one-half hours of heated discussion (and a statement which proclaimed the 'strengthening of ties') an agreement was not forthcoming (CP, 29 November 1976).

On 7 and 8 December the CLC Executive Committee met for a 'Think-In' to evaluate tripartism, and to develop a

strategy vis-à-vis the government and the burgeoning internal dissent. At the 'Think-In' the supporters of tripartism successfully defended it (Joe Morris is reported to have thundered "no one co-opts me") in the face of several of the previously mentioned criticisms (Gonick, 1977a: 4). The Executive Council then met on 15 December to deal with the same issues. The outcome of this process was that the pro-tripartite faction was successful in gaining support for, or at least muting criticisms of, further meetings with government and business (Toronto Star, 20 December 1976). The basic controversy going into these meetings was tripartism, to which the following criticisms were important: the question of the power balance in the movement; the implications of 'social corporatism'; the issue of the CLC's support of the NDP; and the possibility of 'co-optation'.

The clear desire of the executive officers was to increase the power of the Congress in relation to the affiliates, based on a need for such a change; the 'need' was based on a view that a fundamental restructuring of representation and intervention was occurring (involving a variant of 'permanent controls') and the corresponding need for the trade union movement to be united in the face of 'liberal corporatism'. Thus it was necessary to build a more powerful Congress:

The credibility of the Congress to speak for the trade union movement revolves around this central question of the CLC's power. The internal

structure of the CLC will govern its capacity to deal with the Federal government in the negotiations which lay ahead. The external and internal problems are thus interwoven and interdependent and our success in the latter will govern our success in the former (CLC, 1976q: 7).

Opposed to this view were those who argued for affiliate autonomy out of either a desire to preserve independence or mistrust of the CLC's intentions.

On the implications of 'social corporatism' the question was whether or not the CLC was proposing corporatism per se, for many in the movement stood opposed to corporatism as anti-democratic and overly-centralist. The CLC executive countered with the argument that the Manifesto should not be interpreted as corporatist; indeed, they argued, if the 17 July proposal was 'social corporatism', then the state was already practicing social corporatism (since, in principle, the Council on Social and Economic Planning was no different from a marketing board, that is, an agency operating within a specific sphere of delegated responsibility and reporting to Parliament through a particular Minister).

Of the criticisms which focused on 'co-optation', a staff discussion paper for the Executive committee 'Think-In' had the following to say:

It is really the old left argument about class collaboration. The Manifesto itself recognizes the danger and the possibility of being co-opted but nevertheless it is willing to place more trust in the leadership than do the present critics. The Manifesto does this for the very good reason that the trade union leadership

refused to be co-opted into the present AIB and wage control programme. Furthermore, the co-optation argument is really saying that the leadership cannot and must not be trusted. If it is a question of being co-opted the criticism would be better directed against the NDP governments of Manitoba and Saskatchewan (CLC, 1976q: 18).

The pro-tripartite faction was successful in regenerating support for - or at least in preventing an uncereemonious abandonment of - the Manifesto and the 17 July proposal. The terms of participation had remained unchanged: wage controls would have to be withdrawn; the government would have to undertake to implement, to some degree, certain policies and programmes to redress the existing structure of income distribution; and capital would have to loosen somewhat its tight grip on investment decisions. The reiteration of the conditions, and the pro-tripartism defence outlined above, were sufficient for the Executive Committee to enter the next stage of negotiations.

4. Concluding Observations

In this chapter the first fourteen months of conflict and bargaining over wage controls and corporatism have been discussed. The following chapter will cover the period from January 1977 to April 1978. While it would be premature to offer too many conclusions before discussing the latter period, it is possible to draw attention to several factors which have now become apparent.

On the labour-state level the issue of tripartism was inextricably linked to wage controls. The imposition of controls prompted the CLC to reconsider its traditional role and policies, the result of which ('triparitsm' à la Manifesto) was conditioned by apparent indications that there was a move toward more state involvement in the economy and toward the creation of a policy formulation structure which would, in some manner, involve business and labour participation. Thus the context of the events discussed in this chapter can be interpreted in terms of broad tendencies toward 'corporatism/planning'.

However, as may be seen by the failure of the summer talks and the differences between the Manifesto and The Way Ahead, the CLC and the state clearly diverged on several important issues. The CLC's proposal met with hesitancy for several reasons: first, it was not clear whether the CLC could commit the movement to voluntary restraint; second, the CLC called for a radical shift in power, a shift which would have taken power away from parliament, the executive, and the bureaucracy; and third, the reaction of business was, at this point in time, altogether unfavourable. These factors can be interpreted as institutional blockages. That is, while there was pressure toward corporatism/planning, there were serious institutional constraints stemming from the organizational structures of labour, business and the state. The CLC was

extremely decentralized and had previously only represented the organized working class as an interest group rather than as a participant in policy formulation; moreover, the organizational structure of the labour movement, and its processes and routines, corresponded to the collective bargaining system developed since World War II, and not the sort of system that even the Congress leadership was proposing. The institutional configuration of business was equally ill-suited to a rapid and unproblematic 'conversion' to corporatism.

Finally, the institutional configuration of the state stood in the way. The executive-bureaucratic nexus of decision-making, and the processes and routines of economic policy, were firmly established and not easily dislodged. Despite the clear necessity for 'structural reforms', and the mandate of the DM 10, the existing institutions were not easily adaptable to sudden changes of policy nor the consequent restructuring of tasks and responsibilities. Moreover, corporatism threatened to strain the dominant conception of the state's autonomy (entrenched in the structure of limited interest group participation) from particular interests.

Nevertheless, within the labour movement and the state there were groups advocating broad change. Within the CLC the first indications of concern over the strategy of tripartism had been stilled. But the opposition to tripartism, and the resistance to voluntary restraint set constraints on the

bargaining position of the Congress leadership. Within the state the advocates of tripartism (or a variant thereof) were not in a dominant position. Yet the prospect of an early end to controls if voluntary restraint could be obtained was sufficiently alluring for the process to continue.

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NOTES TO CHAPTER IV

1. As well it might have been: on the previous Saturday night, 11 October, Joe Morris and Ron Lang (the Congress' Director of Legislation) were informed of the main features of the programme in a private meeting with John Munro and Tom Eberlee (the Deputy-Minister of Labour). This forewarning was a "courtesy" and illustrates the type of relationship between the Department of Labour and the CLC. The meeting was not even known to the PMO or other CLC Executive Committee Members (Interviews).
2. See Chapter III, Section 3.
3. One aspect of the submission was not quite accurate. Late in September Donald Macdonald (the new Minister of Finance), John Munro, and Tom Eberlee attended a CLC Executive Committee meeting in a final attempt to win CLC support for an incomes policy. Apparently the members of the Executive Committee, not having caucused before the meeting, did not present a 'united front' and thus gave the government representatives the impression that the CLC was not unified and would experience difficulty in mounting concerted opposition to a mandatory programme (Interviews).
4. The 9-point programme of May grew into a 10-point programme with the addition of the following point: "A stable monetary policy in line with potential economic growth and the total eradication of wasteful government expenditures which benefit only a privileged group at the expense of the ordinary taxpayers." See CLC (1975b: 16).
5. The court challenge was unsuccessful. See Maslove and Swimmer (1980: 42-43) and Russell (1977).
6. Interviews. In addition to the interpretation of the slogan, one writer claimed that the whole publicity campaign was 'inept' and had to be "hurriedly withdrawn" (Morton, 1977: 12).
7. The information concerning these activities is from: Memorandum dated 13 February 1976. National Coordinating Team to CLC Officers. CLC Legislation Department Files. See Maslove and Swimmer (1980: Chapter 4) for an analysis of the AIB's rocky start.

8. See Maslove and Swimmer (1980) for any analysis of the response of two individual unions - CUPE and UAW - to the controls programme. The strategy adopted by the affiliates will not be analyzed here.
9. The same problem was faced by CUPE. Their original position was that locals should 'ignore' the AIB and bargain normally. However, as calls started pouring into the Research Department over the first months of the programme, CUPE staff was eventually forced to provide information concerning controls to the locals. The strategy they adopted was to seek out and take advantage of loopholes in the controls programme (Interviews). See CUPE (1977a).
10. Letter dated 12 January 1976. Montgomery to Ranking Officers of Affiliates. CLC Legislation Department Files.
11. Interviews. This was also expressed in both the Prime Minister's announcement of the programme and in the White Paper tabled by Donald Macdonald the following day. See Canada (1975a; 1975b).
12. Memorandum dated 6 November 1975. Major to Morris, Montgomery and Carr. CLC Legislation Department Files.
13. Public Service Alliance of Canada, News Release, 20 November 1975.
14. Not all of the Alliance's leaders felt the same way. Joe Power (the president of the Union of National Defence Employees) was extremely upset with Edwards' position (Interviews).
15. Possibly in late October, before the meetings with the CLC Executive Committee.
16. Why this course of action was rejected is a matter of speculation, but perhaps it was partly due to the fact that such action would have been perceived as an 'end around' and partly due to a desire to strengthen the CLC's role vis-à-vis the affiliates. This latter seems consonant with other government actions of this period - the concentration of efforts directed toward the CLC in the consensus exercise, the stress laid on centralized collective bargaining, and the formation of the CLRC.
17. Transcript of the Prime Minister's Interview with Terry Hargreaves and Peter Cooke, CBC-Radio. Recorded 19 December 1975 for Broadcast 28 December 1975, (Ottawa; CBC-Radio, 1975, Mimeo).

18. Transcript of Conversation: Right Honourable Pierre Elliott Trudeau, Prime Minister of Canada with Bruce Phillips and Carol Taylor, CTV. Taped 23 December 1975, Air Date 28 December 1975 (Ottawa: CHOY-TV, 1975, Mimeo).
19. Ibid. These conversations became known as Trudeau's year-end 'musings'. While the excerpts cited in the text are only fragments, they represent consistent themes.
20. Ian Stewart was then the chief economic advisor in the PCO and "played a key role in development and implementation of the Anti-Inflation Programme...." (Campbell and Szablowski, 1979: 76).
21. These examples are cited in an article (on the apparent rise of corporatist ideas in the government) by Wayne Chevaldayoff, Globe and Mail, 10 December 1975. Chevaldayoff also cites: Munro's comments of the possibility that the CLRC may develop a "tripartite national incomes policy"; the existence of a confidential PCO document promoting co-determination (at the plant, industry, and national level); and the growing perception in government that the German and Swedish 'models' (ie. systems of tripartism, co-determination or 'quasi-corporatism) should serve as a model for Canada, and the accompanying realization that the CLQ would have to be strengthened in that case.
22. See Galbraith (1973).
23. The 'consultative mechanisms' were seen as both a necessary prerequisite to the introduction of 'structural changes' and as an enduring part of the changes.
24. See Lang (1979:4). It would be well at this point to comment briefly upon some perceptions of Lang's role in the series of events with which this chapter and the next are concerned. Several writers, including Morton (1977) and Gonick (1977a; 1977b), have cast Lang as the reason that the Congress adopted a corporatist orientation. While Lang obviously played a significant role, it would be well to remember Engels' dictum (cited by Sweezy): "That such and such a man and precisely that man arises at that particular time in that given country is of course pure accident. But cut him out and there will be a demand for a substitute, and this substitute will be found, good or bad, but in the long run he will be found" (Sweezy, 1949: xii).

25. The following is based on CLC (1976a).
26. It should be noted that Trudeau, in a speech to the Canadian Club on 19 January 1976, attempted to put to rest the idea that he was advocating corporatism. However, he touched his denial in terms of an either/or proposition: 'either labour and business, in cooperation with government, would adjust the institutions of society (and 'be more responsible') or the government would be forced to do it alone. Relevant excerpts of the speech are reprinted in Rea and McLeod (1976). Joe Morris interpreted this as a 'threat' and 'his fears were not allayed' by Trudeau's speech. He restated the Congress' position that: "What we will not do is be a party to a so-called reform of our economic institutions which reduces the real earnings of working people, puts their power to protect themselves through the process of free collective bargaining in a permanent deep freeze, and threatens our democratic political system with solutions imposed by government decree." See CLC, Press Release, 19 January 1976.
27. On the asymmetrical nature of controls see Maslove and Swimmer (1980); on the price rollbacks see AIB (1979: Chapter IV and VI).
28. See AIB (1979: 51-52).
29. The epithet is Morton's (1977).
30. The CLC did not withdraw its representatives from all the boards and agencies upon which it was represented.
31. Another factor which may have prompted the CLC to withdraw its representatives from the Economic Council of Canada in particular was that Trudeau cited an ECC study which the CLC representatives had signed. Needless to say Morris was somewhat embarrassed by this. I would like to thank Heather McAllister for bringing this to my attention.
32. On McDermott, Globe and Mail, 12 April 1976; on MacMillan, Montreal Gazette, 11 May 1976; on Laberge and the QFL, Montreal Star, 20 April 1976 and Ottawa Journal, 23 April 1976; on the AFL, Calgary Herald, 30 April 1976.
33. Only the major arguments in the Manifesto will be dealt with here.
34. Joe Morris, in the middle of the debate on the Manifesto, changed 'social corporatism' to 'social democracy' (CLC, 1976f: 22).

35. Specific conditions were also attached. See CLC (1976f: 13).
36. The following is based on several interviews.
37. Dennis McDermott, among others, used this phrase (CLC, 1976f: 13-14).
38. See Connaghan (1976) and Labour Gazette 76:8 (August 1976).
39. Interviews. On the DM 10 see Toronto Star, 12 March 1976; Globe and Mail, 13 May 1976; Financial Post, 29 May 1976; and Toronto Star, 17 July 1976. Members of DM 10 included: Michael Pitfield (PCO), Ian Stewart (PCO), Tom Shoyama (Finance), Gerald Stoner (Industry, Trade and Commerce), Gordon Osbaldeston (Treasury Board), Tom Eberlee (Labour), Sylvia Ostro (Consumer and Corporate Affairs), Bruce Rawson (Health and Welfare), Alan Gotlieb (Manpower and Immigration), Gordon Robertson (FPR), and Douglas Love (Regional Economic Expansion).
40. The Paper made reference to several 'questions' to which the proposed Council would have to address itself: "the relative share of wages and profits? What is needed for investment, as against what needs to be spent on consumer goods and services? To what extent can changes in collective bargaining achieve greater equity of wage incomes? To what extent must we rely on the taxation system?" These were not 'conditions of entry' but were areas with which the Council was expected to deal.
41. Nine of the ten members of the CLC Executive Committee attended the meeting (the exception being Staley of the Carpenters); the Cabinet ministers in attendance were the same as had participated in the 12 July meeting.
42. See Canadian Labour Comment, 27 August 1976 and Globe and Mail, 13 August 1976.
43. See Canada (1976a).
44. See for example the open letter published by Domtar, Ottawa Citizen, 20 July 1976.
45. For a general review of business opposition in this period see Toronto Star, 26 July 1976.
46. The business people were: J. Armstrong (Imperial Oil), I Barclay (B.C. Forest Products), R.F. Bennet (Ford), R.J. Bilodeau (Honeywell/CMA), J. Bulloch (CFIB); P. Demarais (Power); G.N. Fisher (Southam); J.P. Gordon

(Stelco), A.J. de Granpré (Bell), F. Jackson (Manufacturers Life Insurance), A.J. MacIntosh (Blake, Cassels and Graydon), H. McCain (McCain), A. Powis (Noranda), C.E. Ritchie (Bank of Nova Scotia), I. Sinclair (CP) and D. Willmot (Molson's).

47. Following in strict chronological order it would be necessary to deal next with the October Throne Speech (ie. the release of The Way Ahead and the 14-point programme announced by John Munro concerning labour relations. However, since the Day of Protest (which followed the events just cited) was the 'response' of the CLC to the failed summer negotiations, and since The Way Ahead and the 14-point programme were the government's 'response' to the Day of Protest, it is logical to leave these government initiatives to the next section.
48. The media chose the lowest, the CLC the highest; it is therefore reasonable to accept the mid figure.
49. For Munro's 14-point programme see Labour Gazette 76:10 (October 1976). The 14-point programme was based, in large part, on work done by the CLRC and will not be dealt with here.
50. The Way Ahead was based on the work of DM 10, initially written by Ian Stewart of the PCO, and then 'worked over' by the PMO (Interviews). Thus it is not surprising that it seemed to reflect a diverse range of views. Doern (1979: note 11) notes that The Way Ahead represented an eclectic borrowing of ideas from various schools of economic thought.
51. See CLC (1976m), (1976n), (1976o).
52. For a general report on the growing unrest see Globe and Mail, 13 November 1976.

CHAPTER V

WAGE CONTROLS AND CORPORATISM (II): TRIPARTISM IN DISREPUTE

In the previous chapter the conflict and bargaining over wage controls and corporatism from October 1975 to December 1976 was discussed. In this chapter the January 1977 - April 1978 period will be examined. Following the analytical focus employed in Chapter IV, this chapter will concentrate on two dimensions of conflict - that between organized labour and the state, and that within the CLC.

As will be discussed below, the period covered in this chapter witnessed several significant alterations in the positions of, and alignments between, the participants. A major influence on the process stemmed from the entry of the BCNI into the consultations and negotiations. This constituted an about-face for the representatives of business as they had initially supported controls and rejected any form of structured tripartism. But the positions of the CLC and the state also changed, a fact not unrelated to the changed position of business. Thus the analysis in this chapter will examine the strategy and bargaining between these parties.

However, the positions of the participants can also be interpreted as resultants, so the chapter will also trace the process of bargaining and compromise behind the various stances, particularly that of the CLC. The failure of the

process will then be interpreted in the context of the two related dimensions of conflict.

The chapter will be divided into three sections. In Section 1 the events between January and August 1977 - the period during which the labour-business-state negotiations finally collapsed - will be examined. Section 2 will cover the August 1977 to April 1978 period, during which intra-CLC opposition to tripartism peaked. Section 3 will conclude the chapter with an analysis of the conflict and bargaining over corporatism and wage controls in this and the previous chapter. It should be noted that the discussion in Section 3 will be confined to the topic of the 1975-78 negotiations; the broader question of the prospects for corporatism/planning in Canada will be addressed in Chapter VI.

1. January - August 1979: a New Miss for Tripartism

On 31 January 1977, the CLC Executive Committee¹ met again with Trudeau and a number of ministers² to discuss several issues: the general economic situation; the process and timing of de-control; the scheduling of tripartite meetings; the lack of a formal response by the government to the CLC's 12 July (1976) position paper; and the question of basing public sector wage increases on a comparison with the private sector. On the question of de-control and its appropriate timing, no specific plans were discussed; indeed,

the two sides agreed that it should be discussed in a tripartite format.³ The CLC insisted that future meetings be tripartite, however when a February tripartite session was suggested, they demurred and suggested a later date. On the question of the lack of a formal government response to the CLC's 17 July proposal, Trudeau promised one soon; subsequently he sent a letter to Morris proposing a multipartite advisory forum rather than a tripartite decision-making body. Finally, on the question of comparability of public and private sector wage increases, it is likely that the CLC flatly rejected the government's suggested proposal. This issue had been cropping up from time to time in the fall of 1976 in several speeches and comments by Donald Macdonald.⁴ It is probable that some of the private sector members of the Executive Council were privately sympathetic to the idea, but it appears that the influence of the public sector unions was sufficient to ensure a rejection. Indeed, several days previous to the 31 January meeting, several CLC executives met with leaders from CUPE, PSAC and NUPGE to discuss public sector controls, following which Shirley Carr issued a warning to the government against continuing such controls upon termination of the AIB (CLC, Press Release, 25 Jan. 1977; CP, 26 Jan. 1977). However, 'comparability' became one of those issues which refused to go away, and it continued to generate heated discussions within organized labour and between labour and the state throughout the remainder of the period examined in this chapter.

During February there was another meeting between the CLC executive and several of the members of the Business Council on National Issues.⁵ The meeting was similar to the one held the previous September, that is, it was exploratory and informational rather than directed at immediately forging a common front. Alfred Powis (of the BCNI) has said of the February meeting that:

Joe Morris expressed a number of frustrations very similar to those being felt by the business community. It occurred to some of us that there could be some real value in getting together to develop a better understanding of each other's views. Also, if we could avoid the usual knee-jerk opposition to the views of the other side, it might be constructive in terms of the development of economic policy (Conference Board, 1978:28).

On 22 and 23 February the CLC Executive Council met for another 'Think-In'. The focus of the meeting was undoubtedly on the developing tripartite negotiations; but while those whom opposed the CLC's participation had not altered their views, opposition was not strong enough to stop the gathering momentum. The second major issue was the emerging concern over 'comparability', which the Executive Council addressed in a lengthy 'statement of principles', the core of which was as follows:

The Canadian Labour Congress on behalf of all its members calls upon the federal and provincial governments to end immediately all wage controls. And, in particular, it calls upon them to cease the campaign to single out public employees for continued controls.

The government's proposal to limit the wages of public service employees long after they have

lifted all restrictions on other sectors of the economy is a deceitful and unjust political ploy. It avoids the more serious problem of unemployment and proposes to deal with inflation in a manner which is absurd.

....we are deeply concerned that continuing controls on the public sector may serve as a precedent for reintroducing them in the private sector; and that these public sector limits will be used as models for negotiations in the private sector (CLC, Press Release, 23 Feb. 1977).

Two brief comments are in order here: first, it is clear that despite the views of some private sector union leaders, the CLC was taking a strong stand in defence of the public sector unions; moreover the statement expressed the basic reason why the CLC united on the issue - the possibility that public sector controls would effectively control private sector wages.

On 4 March the Cabinet again met with representatives of the BCNI,⁶ at which time the main topics of discussion were the 'state of the economy', the continuation of controls, de-control plans, and 'comparability'. On 18 and 19 March the CLC and the BCNI held an extended joint meeting to discuss a common approach to the issue of controls. Although the meeting on the 18th involved considerable fencing, with both sides reiterating long-held positions and seeking to lay the blame for the ill health of the economy (and the controls programme) at the other's doorstep, the next day the atmosphere had changed. Indeed, by noon on the 19th enough progress had been made to warrant an attempt to contact Trudeau with a proposal for an immediate trilateral meeting. However, despite the

enthusiasm of the CLC and the BCNI, Trudeau was unable to schedule a meeting until the following week. Over the next few days a joint position was drawn up (by business), with which the CLC representatives concurred before the meeting with Trudeau (Interviews).

The joint position was eventually presented to Trudeau, Macdonald and Munro on 22 March by four representatives of each of the CLC and BCNI.⁷ Ian Barclay has summarized the CLC/BCNI position as follows:

1. We were agreed that Canada was having serious economic problems to which the Government must address itself, but that we had faith in the country's economic future,
2. We were prepared to explore areas to see if we could, in a positive way, recommend actions to help solve our present serious economic conditions,
3. We would meet as often as needed to study the immediate problems and to establish a meaningful on-going bipartite and tripartite relationship to study the issues,
4. Our two groups would be available to meet with the Prime Minister and his economic ministers, and we requested a date for such a meeting and the opportunity to discuss the agenda items well in advance,
5. We specifically requested that there be nothing in the upcoming budget that would preclude the total lifting of controls as quickly as possible,
6. We expressed the belief that the business-labour meeting had been meaningful and positive and that this relationship could be strengthened so that consensus could be reached on important national issues. However, we also stressed that leadership was required from the Federal Government. There was no question that working together as concerned

Canadians, rather than continuing our past record of constant confrontation was in the best interests of everyone (Barclay, 1977: 4-6).

Although Barclay's summary only hints at it, the central question was the withdrawal of controls and the necessary guid pro quo. The CLC and BCNI were agreed that controls should be immediately withdrawn, and without a phasing-out scheme (either by industry, size, etc.)⁸ The government was equally favourable to an early ending of controls, but was demanding a pledge of voluntary restraint, an undertaking which neither the CLC nor the BCNI were willing to make (because of the structures of their respective organizations). In any case, the first full-fledged tripartite meeting was shortly thereafter scheduled for 22 April.

In the interval there were indications from all sides that a consensus was possible, although public statements generally reflected the dispute over voluntary restraint. Various CLC leaders, although reiterating that explicit voluntary restraint was 'impossible', consistently argued that bargaining would return to 'normal' and that the economic climate (which had deteriorated) would act as a sufficient restraint.⁹ In addition, the CLC statements on tripartism during this period seemed to reflect a significant change in emphasis - 'equal power-sharing' and 'decision-making power' were dropped in favour of 'advisory' and 'consultative'. This change probably stemmed from the continuing opposition to corporatism within the Congress,¹⁰ from the BCNI's position

that business did not wish to play a decision-making role, and from the position of the government that the CLC's proposals were considered an infringement of the rights and powers of Parliament.¹¹ Finally, the CLC's position on 'tripartism' as opposed to 'multipartism' was not dropped.

On 22 April representatives of the government, the CLC and BCNI met in the Conference Centre in Ottawa.¹² Much of the meeting was occupied by the government's presentation of a draft of a Green Paper (eventually released as Agenda for Cooperation) dealing with: a review of the economy; post-controls policies; labour-management relations; public-sector compensation; de-control options; a tripartite monitoring agency; and consultative mechanisms.¹³ Of particular interest here were the last four.

With regard to public sector compensation, the government wished to institute a system which would ensure that public sector wages would neither 'fall behind nor get ahead of' the private sector. On de-controls, three options were proposed: 1) the 'lights out' approach, involving the complete and immediate end to controls on a given date; 2) the 'size or sector approach', involving an end to controls as contracts came up for renegotiation (for wages) or as firms' year-ends occurred (for prices). In addition, the government proposed 14 October 1977 as the cut-off date, but indicated that the provinces wished public sector controls to continue. The government also proposed a tripartite or

multipartite monitoring agency which would rely for its effectiveness on "counselling . . . , persuasion and reason", bolstered by public opinion. Finally, a multipartite consultative forum composed of 40-50 people would be set up: "He (Donald Macdonald) said they felt that the responsibility for public policy belonged to the government, but the consultative group would help to respond to situations" (CLC, 1977a: 5).

The CLC and BCNI representatives focused their attention on two topics - de-controls and the proposed consultative mechanism. The CLC's position on the latter is worth quoting:

The trade union position was stated very clearly that one of the problems we find in discussing the problems of the economy and social direction of the nation is that there has never been any structured discussion. There has never been any institutional representation, and as long as people are called together in their personal capacities they have no strength or no ability to speak for the groups of which they are part. To labour, consultation means that we should have people who are able to reflect the position of those they represent (Ibid: 7).

In addition, the CLC reiterated its position that the consultative forum should be comprised of "those people who have a primacy of interest in subjects under discussion within the context of the industrial economy, labour-management relations, and the social structure of the economy" (Ibid: 7), that is, business, labour and government. In view of these concerns it was agreed that a sub-committee be established to examine the question of representation,

composed of the Deputy Ministers of Finance and Labour, five nominees from the CLC, four nominees from the BCNI and John Bulloch from the Canadian Federation of Independent Business (CFIB).

On the second major topic - de-controls - Ian Barclay reiterated the CLC/BCNI position that controls should be withdrawn immediately, with "no strings attached". To this the government responded with the demand for voluntary restraint:

The Prime Minister ... speculated that controls could come off if he could get a guarantee from both business and labour that they could control their people. This was obviously an approach to which we could not agree, because it would be replacing government controls with a system of trade union controls, and we refused to enter into a discussion on this question, as did business (Ibid.: 8).

The position of the CLC with respect to these two issues reflected the conflict within the Congress: on the issue of the consultative forum, the CLC wanted "institutional representation" which would involve "people who are able to reflect the position of those they represent"; on voluntary restraint, however, the CLC felt unable to "control their people" because "it is our position that our people would not accept voluntary restraint" (Ibid). The conflict over tripartism produced this contradiction: the pro-tripartite faction had managed to win a mandate to pursue discussions, but that mandate was circumscribed by the opposition to corporatism, that is, to the opposition to CLC involvement in self-regulation.¹⁴ The government's position was equally clear:

controls could be abandoned, but only if agreement could be attained on some other method of restraint; and the consultative mechanism was to be distinctly non-corporatist.

On 26 April the CLC and BCNI met to consider their next move. During this meeting, or shortly thereafter, a joint response to the draft of the Green Paper was drafted and arrangements were made for Joe Morris and Peter Gordon (representing the BCNI) to meet with Trudeau. On 10 and 11 May the CLC Executive Council met and issued a lengthy public statement criticizing the government's economic policies. More importantly, however, the issue of 'consultation' was raised (the Council approved Morris' Report on the April tripartite meeting), however it appears that no change in direction was decided upon. Speculatively, it seems probable that the Council approved as well the planned approach to Trudeau, and may have approved the actual joint CLC/BCNI position. Morris seems to have been relying, at this stage, on the Executive Council's direction and not heeding the advice of his staff that the ranking officers be more closely involved.¹⁵

On 16 May Morris and Gordon met privately with Trudeau and with Jim Coutts (the Prime Minister's principal secretary) in the Prime Minister's office. Morris and Gordon presented Trudeau with a signed statement entitled Termination of Controls.¹⁶ The statement dealt with three subjects: when and how controls should be terminated; the commitment which

Morris and Gordon were willing to give on the question of voluntary restraint; and the CLC/BCNI position on the proposed monitoring agency.

On the question of the termination of controls, the statement read:

We have previously informed you that consensus exists among representatives of labour and business that the controls program should now be terminated. Although there can never be guarantees that the rate of inflation will not again increase, there is a strong consensus that the right time to terminate the program is now We also feel that termination should be instantaneous, not phased (Termination of Controls).

On the question of voluntary restraint, Morris and Gordon went further than either had before:

This consensus [to terminate controls immediately] is supported by our undertaking to make voluntary efforts to make de-control work We ourselves are prepared to make personal commitments and seek to persuade others that this collective action is in the interests of Canada. This approach will only work if the federal government is prepared to practice restraint and to try to persuade other levels of government to do likewise (Ibid.).¹⁷

And on the question of the monitoring agency, Morris and Gordon proposed a tripartite agency, headed by a three member board, and empowered only to "solicit information and exercise moral suasion, but without authority for roll-back or for establishing guidelines" (Ibid., emphasis added). The agency would be "responsible to the public for scrutinizing price increases and wage settlements" and "should terminate as early as possible but no later than December 31, 1978" (Ibid.).

Trudeau had several objections concerning the proposed monitoring agency: that the agency should issue guidelines; that its proposed life span was too short (ie. 31 December 1978 was when the AIB was scheduled to terminate in any case, and Trudeau wanted a more permanent agency); and that it should be a 'public interest' board rather than a representative tripartite board. Gordon and Morris urged Trudeau to consider changing the soon to be published Green Paper to reflect their position (so that the Green Paper would sufficiently resemble the BCNI/CLC position to provide bargaining room); however it had already been printed and all Trudeau could say was that, in terms of the upcoming negotiations, the CLC/BCNI position would be 'taken seriously' (Interviews).

On 22 June the subcommittee which had been formed at the 22 April tripartite session met to consider the question of representation. As this was a crucial meeting it is necessary to outline the context in which the meeting took place, a context comprising the two dimensions of conflict which form the theme of this chapter - the state-labour and inter-union struggles.

At the labour-state level the most important occurrence was the tabling of the Agenda for Cooperation (Canada, 1977a) which stated the government's position vis-à-vis controls and consultation.¹⁸ The Agenda covered a number of topics, of

which five will be dealt with here: the role of government in the economy; consultative mechanisms; the proposed monitoring agency; de-controls; and public sector compensation.

On the issue of 'government and the economy' the Agenda vacillated between a defence of the free market economy (for reasons of 'efficiency' and 'freedom') and an outline of the types of intervention which the government felt obliged to undertake. These included: competition policies (to promote competition, unless not doing so would 'benefit the nation'); industrial policies (to increase productivity, research and development, international competitiveness, etc.); regional policies; employment and manpower policies (to promote full employment, training and retraining, mobility grants and job creation)¹⁹; social security (to provide minimum standards of living and, where consensus could be attained, income redistribution); housing policies; and energy. From the perspective of the CLC, several aspects of this part of the Agenda were important. First, according to the government, the discussion of the economy in general, and particular policies, was set within the context of the need to fight inflation; and this was to involve a reduction in real incomes:

As we have to use more ... goods and services to buy the same amount of goods and services from abroad, our real incomes will have to grow more slowly. Indeed, the increase in real income per capita may have to be less than the growth in average productivity. This will show up for the average household in the form of a somewhat higher

increase in consumer prices than last year, and a somewhat smaller increase in wages and salaries (Canada, 1977a: 8).

The thrust of the government's economic intentions was as follows:

A continuing reduction in inflation is a necessary condition of better prospects for economic performance. It is essential to business confidence, essential if producers are to exploit expanding markets, and essential to investment decisions and a sustained reduction of unemployment (Ibid.: 8).

The second aspect of interest was the fact that the Agenda neither confirmed nor refuted the CLC's thesis that growing state intervention was on the state policy agenda. On the one hand, the Agenda reflected, at a somewhat rhetorical level, the view that the maintenance of the free market was essential; but, on the other hand, the list of specific policy proposals implied more direct intervention.

The proposed consultative forum did not very closely approximate the CLC's position. The government proposed a multipartite forum of 30-50 people with no policy-making role:

Discussion in the consultative forum could be expected to influence the decisions of the various participants. However, the forum itself would not have any decision-making powers with respect to government policies or programs. Any such powers would pose a challenge to the supremacy of Parliament and raise fundamental constitutional problems. Not being elected, the forum could not legitimately exercise any of the powers accorded to governments with the consent of the people. Nor would it be possible to extend ministerial accountability to cover any decision-making power of such a body (Ibid.: 30).

In addition, the deliberations of the body would not bind any of the parties. From the perspective of the CLC, the multi-partism format was unacceptable, as was the lack of direct nominating powers on the part of the participant institutions; as well, although the CLC was backpedaling on the question of the powers of the consultative body during this period, the rather vague role posited by the Agenda was unsatisfactory.

The proposed monitoring agency did not raise too many problems, except as regards Trudeau's objections to the CLC/BCNI position (see above). The agency was to deal with:

- 1) general price and income developments; 2) structural aspects of price and income developments; and 3) particular price and income developments. Moral suasion, public information, and some information gathering powers were to comprise the agency's arsenal against inflation.

On the question of de-controls, the three options previously mentioned were outlined. The major problems envisaged with the 'lights-out' approach were the potential of a wage/price 'bubble' and 'inequity' (since some contracts had wage reopener clauses, those unions which managed to delay settlement past the termination date would be control-free, whereas 'responsible' unions which had promptly adhered to the guidelines would be controlled over the remainder of their contract). While this method was not entirely discarded, the condition for choosing it was made exceedingly clear:

Those who have advocated this approach have undertaken to exercise restraint on a voluntary basis.... Arrangements would have to be made to scrutinize price increases and wage settlements to ensure that voluntary restraint was in fact being exercised, and a representative monitoring agency, in which both business and labour might participate, is seen as a mechanism which might achieve this result. The questions which remain to be answered are what precisely would constitute voluntary restraint and how widespread is the commitment. The government would not be prepared to implement this method of de-control without firm undertakings which would ensure continued progress in the struggle against inflation (Ibid.: 41-42).

In the absence of such a commitment the government favoured the third option. Also, four potential dates were mentioned: 14 October 1977, 1 January, 1 April, and 1 July 1978. From the perspective of the CLC the message was starkly clear: the sine qua non for an immediate and instantaneous end to controls was a pledge of voluntary restraint.

Finally, on the issue of public sector compensation, the Agenda stated that "while government remains committed to the collective bargaining system to determine wages and working conditions, it believes that the approach to public sector compensation must be improved for the post-control period". (Canada, 1977b: 9). The planned 'improvement' was to be no mere tinkering:

The approach that the government intends to pursue in compensating federal public servants is one of average comparability of total compensation with a representative sample of private sector employers (Canada, 1977a: 60).

Needless to say, the CLC was none too pleased with this idea.

The public reaction of the CLC was predictable, involving an attack on several particular aspects of the Agenda: the emphasis on wage restraint; the unwieldiness of a multipartite forum; the phase-out approach to de-control; and the concept of comparability.²⁰ Notable for its relative lack of mention was the power (or, rather, lack of it) of the proposed consultative body; the CLC focused its criticisms on 'structure' as opposed to 'content'.

In addition to the labour-state conflict of this period, there was increasing uneasiness over the strategy of tripartism within organized labour.. To cite just a few examples: CUPW leader Joe Davidson in a May speech was harshly critical - as CUPW leaders are wont to be - of the CLC's orientation toward tripartism and away from "action" (CUPW 7:4 (June 1977): 4-5); the CSN was advocating a one-hour work stoppage for 14 October and was criticizing the CLC for 'giving up the fight' (T. Star, 23 May 1977); and several CUPE provincial division conventions were busily debating tripartism and voting on resolutions such as the following:

The Manifesto was unexpectedly placed before the delegates attending the 1976 CLC convention. We now have had time to properly study the plan and find that tripartite proposals have always represented an attempt to co-opt labour movements into high-level discussions which do not threaten the dominant power of corporations and governments (CP, 9 June 1977).

The pro-tripartite faction, however, was not taking these growing criticisms lying down. Two themes were stressed

by tripartism's defenders - the need to centralize labour and the need to 'meet with' governments and business. The following rather lengthy excerpt from a speech by Joe Morris illustrates the CLC's defence:

It is impossible for each affiliate to continue in the belief that it can go it alone, no matter how large or how powerful it is. The future challenge can only be met by greater centralization in terms of policy and power. The power of each local union, and of each affiliate from Newfoundland to British Columbia must be harnessed and drawn together. The isolation, the vulnerability and the weakness of each local union must be ended.....

The drive by the CLC for a greater say in the way political decisions are made at the national level does not represent a danger to our parliamentary form of government. We have proposed nothing that abuses or circumvents the democratic process of government. What we have proposed however, is a mechanism to give workers' organizations a greater influence in all those decisions of government that affect them. Our proposition for a tripartite Council for Social and Economic Planning ... challenges the future role of government to continue to ignore the Congress and its affiliates as a legitimate and powerful voice in Canadian society. I cannot accept the proposition that labour in a tripartite council will be co-opted because it happens to be pursuing labour's legitimate aims in a forum made up of business, labour and government. We have always maintained as a labour movement, that we must pursue our interests at all levels - in collective bargaining and the governmental front. Are we now to reverse ourselves and reject our own history by withdrawing from society? The Congress cannot accept such a reversal (CLC, 1977b).

In this context of the two dimensions of conflict, the subcommittee appointed at the 22 April meeting met on 22 June.²¹ As the group had been constituted to examine the question of the consultative forum, most of the discussion centred on structure and process rather than on substantive matters; however the

question of de-controls was also raised, with the government representatives taking the position - either explicitly or, more likely, implicitly - that the 'lights-out' approach was only acceptable given voluntary restraint and some concessions from the CLC and the BCNI on the form of the consultative mechanism.²² There were several other issues which generated controversy during the meeting. First, the CLC and BCNI attempted to stake a claim to sole representation on the consultative forum, that is, each was insisting that it be the only representative from its respective constituency and that the government should accept the nominations of participants: The government representatives balked at this, claiming that other groups had to be represented - in the case of business these presumably may have included the CMA, the CCC, the CFIB, and/or the CBA; in the case of organized labour, the 'other groups' would probably have been the CSN, the CEQ and/or the Teamsters.

The second contentious issue was whether the forum was to be tripartite or multipartite. The CLC was insistent on this point arguing that the presence of other groups was unnecessary since business, labour and the state were the parties of primary interest in economic management. The CLC further bolstered their position by claiming that the Manifesto only gave them a mandate to participate trilaterally. The business representatives apparently 'went along' with this line, although their commitment was not as firm as was the CLC's.

The government, of course, responded by arguing that tripartism was unacceptable, a position based on two related arguments: first, that Canada was a pluralistic society and the 'other' groups should be represented (usually trotted out in this context were the examples of consumers, farmers, fishermen and/or professionals); and second, as Shoyama later explained:

It has been a constant worry on the part of the government that it will be seen to be engaging in a tripartite consultative and decision-making process with big business and big labour and everyone recognizes politically that is a 'no-no' (Conference Board, 1978: 38).

(Although a compromise was not reached on this issue, it appears that one may have been in the making. The compromise would have entailed a number of forums (perhaps under an umbrella body), one being a tripartite body; but whether the tripartite body would have been the locus of consultation on economic policy, or whether it would have been restricted to consideration of 'labour-management relations' would have been a stumbling block).

There was further disagreement over what the body would be empowered to do. For example, the BCNI/CLC position was that the Council should be authorized to review draft legislation, reflecting their view that the purpose of the exercise was to have some input into policy formulation.. The government representatives argued that this would 'infringe upon the supremacy of parliament' and that a consultative body could not

have such prerogatives delegated to it. This of course reflected their view that the purpose of the exercise was to promote a 'shared mutual understanding' which would help the government win broad support for its policies. This difference was again expressed in the differing conceptions concerning procedure: the CLC/BCNI position was that the forum should meet at least four times annually to discuss economic policy; and the government was proposing that it would meet at least twice yearly, first (in the spring) to be presented with various medium-term economic projections, and then again (in the fall) to discuss the projections and the budget, and to develop a "better understanding of the realities of the economic situation and of the limits within which the economy is evolving"

(Canada, 1977a: 32). These differences will be analyzed more fully in Section 3, however it is necessary to underline here a fundamental divergence between the two positions: the government clearly wanted to control the process, thus although willing to engage in consultation, it was not keen on 'equal power-sharing'; by contrast the CLC/BCNI position, although by this time considerably less than the fullfledged corporatism of the Manifesto, was still oriented toward concrete input into the policy formulation process.

Several issues discussed at the 22 June meeting were not in dispute and it appears that all participants agreed on the following: that the consultative forum should be chaired by the Prime Minister; that the forum should number approx-

imately thirty members; that the Economic Council of Canada be used in a staff capacity; that agendas be mutually agreed upon in advance; that discussion papers be prepared and circulated in advance; and that approximately five ministers sit as members (ideally, the ministers of Finance, Labour, Industry, Trade and Commerce, and Consumer and Corporate Affairs, and the Secretary of the Treasury Board, unless the need for 'regional balance intervened).

The second formal tripartite session took place on 29 July, and again the meeting was largely taken up by a government proposal.²³ Four aspects of the proposal were important. First, the government proposed that, in light of the need that de-control be "orderly and fair", the third option should be chosen:

Under this method a process of de-control would begin on a specified day. Groups of employees would be released from controls following that date, as they come to the end of their guideline years. Similarly, firms would be released from controls as they came to the end of their fiscal years in which the starting date falls. Thus the AIB would not rule on compensation plans which commence after that day, or on prices and profits of firms for their fiscal years that begin after that day (Canada, 1977c).

Second, the particular date would be 14 October 1977 if a certain condition was met:

The government is ... prepared to begin the process of de-control as early as October 14 of this year only if there is a reasonable degree of assurance that this will not lead to any interruption of our progress in bringing down the rate of inflation (Ibid.).

The government invites business and labour to commit themselves to act in such a way that increases in money incomes will be consistent with the achievement of [a reduction in inflation and the restoration of Canada's international competitive position, as the necessary conditions for achieving a sustainable growth of output and employment]. What is appropriate in this context would be examined in more detail at a meeting of the consultative forum prior to 14 October 1977. It must be recognized, however, that a further reduction in inflation requires that the increase in money incomes and prices charged by business be lower than is provided by the guidelines in force for this year (Ibid.).

Third, the government proposed the establishment of a consultative forum substantially similar to the one proposed in the Agenda for Cooperation, but now specified its constitution

10 participants from business, of whom at least five would be selected from a list of ten nominations from the Business Council on National Issues

10 participants from labour, of whom six would be selected in consultation with the Canadian Labour Congress

5 participants from other interest groups

5 federal government ministers. (Ibid.)

And fourth, the government reiterated the need for a monitoring agency and indicated that "in selecting the board ... the government would ensure that people of stature with a recognized experience in business and labour would be included" (Ibid.).

Before examining the CLC/BCNI response, it is necessary to note two aspects of the government's proposal. First, the 29 July proposal differed from the earlier government proposals in that it demanded a commitment on voluntary restraint for even the 14 October, third option approach (as opposed to being

necessary only for the 'lights-out' approach). This difference appeared at the insistence of the Department of Finance, whose officials had decided to take a 'hard line'. Second, the CLC and BCNI representatives formed the opinion that the proposal was a 'take it or leave it' proposition, an opinion reinforced by the seemingly steadfast position of the government's representatives at the 22 June subcommittee meeting. However, the government representatives - at a later date - have claimed that their position was open to negotiation and that "it was never contemplated that experienced negotiators from business or especially the CLC would say that there was a lot of it they didn't like, then go back and consult with their principals and we would never hear from them again" (Conference Board, 1978: 83). Further, Shoyama has claimed that:

I do not know if it would have been possible to negotiate further. I do know that the government expected to have a further round of discussions, and there was some surprise that there did not seem to be any room for further discussion of the subject (Ibid.).

In early August a CLC Executive Council position paper was prepared which discussed the government's proposals and formulated a response. On the issue of de-controls the Council rejected the 'third option' of de-control, rejected voluntary restraint, and rejected the position that the target be set below that year's AIB limit. In addition, the notion of 'comparability' was again rejected. On the issue of the

consultative forum, the Council underlined the differences between its view and the government's:

The purpose of a "Consultative Body" should not be merely to endorse government policy proposals. Our position has been clearly stated. A "Consultative Body" should serve as an Advisory Body where policy questions are debated and recommendations are prepared for presentation to government. The contrast between our position and the position of the government is clear. While we perceive the Advisory Body to represent a mechanism through which private institutions can influence policy decisions, the government perceives the exact opposite. In proposing the "Consultative Body", the government's sole purpose would be to control the decisions of private institutions. This would represent the government's first step towards the establishment of a corporate state; an arrangement which the CLC vehemently rejects (CLC, 1977d: 1).

In addition the Council argued: that the consultative body must have a broader scope and be empowered to advise on short and long-term policies; that only six of ten labour representatives was not "indicative of [the Congress] relative importance in the total Canadian union membership"; (Ibid.: 4) and that multipartism was unacceptable.

On the question of the monitoring agency, the CLC's position was short and to the point:

We see no need for a Monitoring Agency to be established. The CLC has argued that with the present rates of unemployment, unused productive capacity and general slack in the economy, there is little danger of a wage and price bubble occurring if controls are lifted (Ibid.: 5).

Finally, the Council statement criticized the government's unconcern with employment, reiterated its call for a Council for Social and Economic Planning (including a Labour Market

Board), and set its conditions for continued discussions:

Our position is clear. Wage controls must end immediately and unconditionally and unemployment must be given top priority in policy formulation. Unless the government's attitude changes, further discussions are not likely to be productive in dealing with our present social and economic problems (Ibid.: 8).

On 17 August the ranking officers were presented with this position paper and endorsed it.

What is clear from the Congress' position is that the anti-tripartite factions had partially triumphed, albeit because of a general resistance to voluntary restraint. Previously opposition to tripartism had resulted in the development of a set of conditions vis-à-vis participation in consultative mechanisms; and the government's position was not close enough to those conditions for the CLC executive to recommend anything but rejection. It is also clear that, had the executive been free from constraints, it might have continued discussions; but, given the conditions which the government attached to a withdrawal of controls, and given the position of the affiliates concerning voluntary restraint, it was clear that discussions could not continue. This is not to argue that the leadership agreed with the state's position, for they did have several serious reservations. But they did accept the concept of a monitoring agency and Morris himself had previously pledged to try to sell voluntary restraint (in the 16 May meeting with Trudeau). Thus their flat rejection should be interpreted as a position which

anticipated rejection by the opponents of tripartism (both within the Executive Council and the ranking officers).

However, their reiteration of the demand for a Council for Social and Economic Planning and Labour Market Board (albeit now considered as "Advisory") indicates that the particular internal issue which sealed the rejection was the voluntary restraint dimension of tripartism.²⁵

Several days previously the CLC Executive Committee had met with the BCNI to discuss a joint response to the government; but the position taken by the Council and ranking officers ruled out a counter-proposal, despite the BCNI's preference to 'keep talking' with the government.

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Following the distinction employed throughout this chapter, the analysis in this section has traced the events between October, 1976 and August 1977 emphasizing two dimensions of conflict - labour-state and intra-labour. At the level of labour-state conflict, the period was characterized by a concretization of the state's position, the entry of representatives of capital into the consultative process, a modification of labour's position, and the 'failure' of consensus. This failure occurred because the state developed a more precise definition of its intentions: gone were the vague notions of corporatism which had originally contributed

to the CLC's formulation of the Manifesto in 1976; and in their place was a series of proposals designed more to win the consent of organized labour and capital to state policy than to providing even a semblance of equal power-sharing in the formulation of state policy. The CLC might have continued negotiations on these grounds, but the state had attached the condition of voluntary restraint, a condition which the CLC leadership was unable to accept.

The entry of capital into the negotiations is also important. And in this context it is interesting to note that a labour-business alliance was formed around the issues of the withdrawal of control and increased participation in state policy formulation. This alliance, however, was limited to these issues and was more of a marriage of convenience than the formation of a new 'power bloc'.²⁶

As shall be seen in the next section, the failure to resolve the conflict over wage controls and corporatism meant, not an end to the consultative process, but a shift of focus; that is, the struggle continued, but on issues which were not nearly so grand as the all-encompassing corporatist models previously debated.

The CLC's position during this period can be interpreted in terms of the inner conflicts and currents which permeated and traversed the Congress. Although criticisms of tripartism continued to grow throughout the period, the groups expressing this view were not, as yet, sufficiently strong to

reverse Congress policy.²⁷ However, they did succeed in raising and maintaining a general resistance to voluntary restraint; in other words they managed to ensure that the CLC leadership never strayed too far from the condition that controls be withdrawn, with no strings attached. The case of the monitoring agency illustrates this most strikingly: some members of the CLC Executive Committee were fully prepared to accept a (relatively toothless) agency; but they were forced to publicly reject even this in light of the spectre of 'continuing controls' raised by those opposed to voluntary restraint. As will be seen in the next section, the failure of the 1977 consensus talks generated even more opposition to the CLC's strategy such that, by the 1978 biennial convention, the anti-tripartism factions could claim a victory - at least as regards the official policy of the CLC.

2. AUGUST 1977-APRIL 1978: THE END OF TRIPARTISM?

In this section the two dimensions of conflict will be examined during the period beginning with the failure of the July/August 1977 tripartite discussions and ending with the April 1978 CLC convention. Events after this period which bear on the topic being investigated will be dealt with in the next chapter. In this section two themes will be pursued: the growing anti-tripartism feeling in the CLC, culminating in the apparent rejection of a tripartite strategy by delegates

at the 1978 convention; and the reorientation of labour-state (and tripartite) discussions, that is, from the previous discussions of what might be loosely labelled 'macro-corporatism' to what might be (equally loosely) labelled 'micro-corporatism'. The order of presentation will differ from previous sections: instead of examining events in a more or less strictly chronological order, it will be useful to examine the events which comprise the two threads separately. This method is valid for this section since, as shall be seen, the two dimensions developed more autonomously from each other than previously was the case.

During the autumn of 1977 opposition to tripartism began to mount. In late September delegates at the convention of the Manitoba Federation of Labour voted to reject tripartism (Winn. Tribune, 26 Sept. 1977; Labour Gazette 78: 1), as did delegates at the British Columbia Federation of Labour convention in late October (CP, 2 Nov. 1977; Labour Gazette 78: 1). The latter came after Joe Morris had spoken at the convention in support of tripartism, and came in the form of the adoption of a policy statement of the Federation's executive stating that "It is our firm conviction that tripartism is not relevant in present political circumstances" (Labour Gazette 78: 1). Delegates at the Quebec, Ontario and Saskatchewan Federations of Labour conventions (also in the fall) followed suit (Labour Gazette 78: 2). At the QFL convention Louis Laberge expressed the opinion - shared by

many in the movement - that:

Meetings of the CLC with the Trudeau administration and businessmen to negotiate the lifting of controls led to the belief that the battle had been won, that it was only a matter of weeks or months. We were all expecting imminent results, and the Trudeau government was using these meetings cleverly to make workers and the population in general think that a happy ending was near. CLC management walked blindly and undoubtedly naively into a game controlled by the government from beginning to end, and is now waking up with a terrible hangover (Ibid.).

Individual unions also began to turn against tripartism, the example of CUPE being the most publicized. In a policy statement submitted by CUPE's National Executive Board to the delegates at the fall convention, CUPE officially went on record as standing opposed to tripartism:

If the CLC enters a form of tripartism from its present position of weakness, it would be co-opted into serving the interests of corporations, because government has not shown itself to be a neutral third party standing between business and labour....

The primary objective of the [government's labour policies] is to weaken labour by promoting broader-based bargaining to eliminate work stoppages.... In the government's view, centralized bargaining, accompanied by wage adjustments strictly geared to productivity changes and a commitment to voluntary wage restraints on the part of union leaders, will provide the government the control mechanism required to undercut independent trade union initiatives....

Therefore CUPE must reject tripartism.... (CUPE, 1977b).²⁸

In early 1978 opposition to tripartism continued to be expressed. In January the Alberta Federation of Labour convention delegates voted down their executive's recommendation of non-concurrence on a resolution condemning tripartism (Ed. Journal, 21 Jan. 1978; Labour Gazette 78: 6); Kealy

Cummings (National Secretary-Treasurer of CUPE) reiterated his union's position and warned that "if Morris tries to press at the convention for any kind of structured tripartism, it just won't be accepted" (T. Star, 3 Jan. 1978); and CUPW, of course, continued its attack.²⁹

The pro-tripartism faction, led by Morris, continued its attempt to stave off a complete rejection of tripartism, although they adjusted their tactics in light of continuing opposition. Although playing down the original proposals, they consistently stressed several themes - the necessity to centralize labour, the need to force the government to accept the CLC's viewpoint, and the need to consult with ("talk with") government and business.³⁰

During the fall several policy papers were being prepared for the upcoming CLC convention and on 16 December the ranking officers met to discuss the initial drafts of several of these. The papers studiously avoided explicit reference to tripartism, focusing instead on proposals for an 'industrial strategy'. The ranking officers met again in March to discuss the policy papers, at which time they voted to omit a reference to a proposed Labour Market Board, a move indicative of the feeling against (or, at least sensitivity to) the issue of tripartism.³¹

In early April the CLC convention convened and the official line on tripartism was put forth in Morris' Presidential Address. After noting that the CLC had refused to enter into a tripartite arrangement in the absence of the abandonment of

controls, and after defending the Manifesto against criticisms of possible co-optation and criticisms concerning the CLC-NDP relationship, Morris went on to outline what may be called the 'compromise':

The debate caused by the Manifesto has been positive. It has made the trade union movement face issues which it has previously avoided, as being too painful; it has sharpened and focused economic and political issues within the movement on future policies; and it has made the movement think about power and political action. The Manifesto has never been criticized for its social and economic analysis of the impact of wage controls on the economy of this country.... It is the single issue of tripartism which has received the greatest criticism. This convention has before it a core paper on "An Economic, Political and Industrial Strategy for Labour". The analysis and program of action detailed in this paper is a logical extension of the Manifesto. This core paper, however, concentrates on building up the power of the CLC and the trade union movement, but leaves the mechanism for exercising the power to be developed in the fullness of time and as the occasion warrants. It therefore alters the Manifesto, in that it does not tie the movement to a single decision-making structure such as tripartism. Indeed, the discussions amongst the Executive Committee and Council surrounding the whole idea of the use of the power lying dormant in the movement has led to a decision that the Congress will use its power and strength whenever and wherever it is needed to make the opinions of the movement known, whether that means bipartite or multi-partite. It is obvious the Congress must use any and every opportunity to advance the cause of our people in the economic, social and political sphere (CLC, 1978c: 4).

The strategy of the executive was clear: it would be admitted that tripartism had been unsuccessful... so far; but tripartism would not be explicitly repudiated, for if it was then that option would be closed if the "fullness of time and ... the occasion" warranted otherwise.

The executive achieved consent for this position in two ways. First, the official policy statements omitted specific reference to tripartism, referring instead to 'social democratic economic planning' and to the development of trade union national strength. Scattered throughout the documents were references to 'institutional changes', but it was "An Economic, Political and Industrial Strategy for Labour" which most carefully treaded the exceedingly fine line between 'tripartism' and 'planning': repeatedly the document emphasized that 'social and economic planning' is a legitimate and necessary objective; that labour must develop its power 'on all fronts and at all levels'; that the unilateral power of corporations must be attenuated; and that full employment and other social democratic aims must be pursued by the Congress. But the document nowhere states the mechanisms through which these goals are to be achieved.³²

The second method used to forestall an explicit repudiation of tripartism was through the skillful - although transparently obvious - manipulation of resolutions submitted by constituent organizations. As it would have been impossible to completely ignore the extraordinarily large number of resolutions condemning and seeking to reverse the policy of tripartism, the Economic Policy Committee developed a composite resolution:

WHEREAS the challenge confronting the labour movement grows directly out of the power of corporations to control investment, jobs and prices; and

WHEREAS federal government policies have exacerbated the current economic crisis; and

WHEREAS the tripartite discussions held with the federal government and business community in order to get rid of wage controls and to extend labour's influence were fruitless; and

WHEREAS the Canadian Labour Congress and the trade union movement did not have the power to defeat wage controls and reverse government economic policies; and

WHEREAS the labour movement must acquire greater economic and political power in order to represent the interests of workers at all levels of government;

THREFORE BE IT RESOLVED that the Canadian Labour Congress strengthen, mobilize and bring to bear on a national basis its political and economic power;

BE IT FURTHER RESOLVED that in pursuit of this goal the Canadian Labour Congress and its affiliates:

- (a) increase their efforts to organize the unorganized to strengthen labour's base of power;
- (b) expand the scope of collective bargaining;
- (c) consolidate and expand their support for the New Democratic Party to give labour strong parliamentary and political influence;
- (d) continue their development of an industrial strategy to promote social and economic planning in Canada (CLC, 1978c: 93-94).

While this adroit interweaving of criticisms of tripartism and advocacy of 'alternative' strategies, coupled with a mandate for the leadership to continue following whatever course they wished, prompted cries of outrage from the more adamant critics of the Congress, it was sufficiently appealing to win endorsement. In fact, in the absence of the third WHEREAS, the resolution comes close to endorsing tripartism, in everything but name.

In sum then, the conflict within the Congress during this period generated an increasingly vociferous attack on tripartism; and this led the Congress executive to adopt a position whereby the criticisms could be absorbed through an admission that tripartism had not defeated controls, but an admission which in no way placed them in a position from which they would be barred from continuing the effort to gain admittance to the state policy formation process. This was a resultant, a position which reflected the balance of conflicting positions, but which allowed the pro-tripartism faction considerable leeway in pursuing whatever course of action was deemed proper. That the Congress executive managed to arrange such a favourable resultant is not so surprising in view of their ability to control and channel (not to say manipulate) the rules, procedures and methods which structure internal debate; that they were determined to do so illustrated their commitment to the corporatist 'solution'. As Joe Morris had said in response to the opposition to tripartism becoming manifest in late 1977, "I'm not a person who gives up easily" (T. Star, 3 Jan. 1978).

The opposition to tripartism has been discussed in previous sections, and it is only necessary to note here that the failure of the tripartite discussions in the summer of 1977 acted to catalyze the already significant opposition. But in order to understand the CLC executive's stubborn defense of tripartism, it is necessary to go beyond the explanation that

"they were committed to it", and explore the other dimension of conflict which has been focused upon in this chapter - the labour-state conflict over representation and intervention. In so doing it will become clear that the pro-tripartism faction's faith stemmed from concrete (although arguably minor) indications that the state was willing to proceed with several forms of labour participation in policy formulation.

It is first necessary to note that following the breakdown in the talks of summer 1977, the CLC indicated to the government that, unless and until controls were withdrawn, no discussions on consultative mechanisms or post-control policies could occur, and the next formal CLC-government meeting did not take place until early February 1978 (Interviews).

However, contact was maintained in several ways. First, the CLC executive met frequently with the BCNI to discuss various topics of mutual concern (such as competition policy, economic policy, labour relations policy, etc.); and when a common position was developed the BCNI would communicate this to the government.³⁴ Second, 'technical' meetings occurred between the CLC and the government on various minor matters.³⁵

And third, it is not too improbable to assume that informal contact was maintained.

It is possible to divide the issues which were prominent between labour and the state during these months into two categories: those which generated irresolvable

conflict; and those which led to a movement toward labour participation in state policy formulation.

Under the first head three issues were important - controls, 'average comparability of total compensation', and the creation of a post-controls monitoring agency. The issue of controls, although still a sensitive matter, was effectively resolved when the government announced in the October 1977 Throne Speech that controls would terminate on 14 April 1978 (ie., the 'third option' phase-out would commence then) (Citizen, 19 Oct. 1977; G & M, 21 Oct. 1977). However, the second issue - comparability - provoked considerable debate during this period. It should be remembered that public sector wage increases had been one of the major reasons for the imposition of controls; and in the Agenda for Cooperation the government had proposed a system of comparability for public sector bargaining. In November 1977 it was reported that the AIB and the Treasury Board had devised a comparability formula, and in meetings with the CLC Executive Committee in early February 1978 the government proposed such a scheme (T. Star, 28 Nov. 1977; Interviews). Needless to say this was rejected by the CLC in no uncertain terms, largely because of the public sector unions' opposition, but also because there was concern that comparability might eventually be extended in some manner to the private sector.³⁶ The government, apparently not awed by labour's opposition, pressed ahead and Bill C-28 was introduced on 8 March (CP, 8 March 1977).

The second contentious issue was the creation of a post-controls monitoring agency. After the breakdown in the talks of summer 1977 the CLC took a firm stand on the issue and refused to consider participation on such a body - reversing their previous (private) support. The government pressed ahead on this issue as well. Although failing to gain support from practically any of the interested parties - even the provinces refused to go along (Citizen, 24 Jan. 1978) - it was announced that the Economic Council of Canada would be allotted this unenviable task (G & M, 13 Mar. 1978). The CLC did, however, soften their opposition somewhat when, in the February meetings with the Cabinet, the government's proposal was modified (Fin. Post, 18 Feb. 1978).³⁷

While the issues just discussed provoked substantial conflict between organized labour and the state, there were several developments that boded well for the CLC's search for a place in the structure of representation and intervention: the government's continued insistence that 'consultation' and direct labour representation was necessary given the structural changes which the economy must undergo; an offer to the CLC of a consultative role in the GATT talks; the institution of - and labour participation on - several industrial inquiry commissions investigating various aspects of labour relations; and the offer to the CLC of a role in the sectoral task forces which were being created to examine the particular problems of different manufacturing sectors in Canada. Each of these will

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be briefly dealt with in turn.

It is not necessary to enumerate all the public pronouncements of Ministers concerning 'consultation'; suffice it to quote just one of John Munro's many utterances on the subject:

What we are proposing here is gradual movement away from the traditional concept of the management of government programs being the exclusive domain of the bureaucracy into a more cooperative mode in which labour and business share the major role (Fin. Post, 26 Nov. 1977).³⁸

The CLC had been lobbying for some input into the GATT negotiations for some time, and in the February CLC-Cabinet meetings a 'consultative' role was agreed to. Subsequently the CLC met frequently with Jake Warren to be briefed on the talks and to provide a 'labour view'.

Three industrial inquiry commissions were established in early 1978: one on broader-based bargaining (chaired by Francis Bairstow and including William Mahoney and Murray Dubinskey); one on lay-offs (chaired by A.W.R. Carrothers and including Charles Perrault and Jack Munro); and one on paid educational leave (chaired by Roy Adams and including J.W. Henley and Robert Bouchard) (Labour Gazette, 78: 7 and 78: 8). The Chairpersons were all academics while Dubinskey, Perrault, Mahoney and Munro had all been members of the Canada Labour Relations Council. These Commissions were not, of course, strictly tripartite; but as they were constituted by, and charged with advising, the government, it is fair to include

them among the developments of this period.

Finally, and most importantly, at the February meetings the government offered the CLC participation on the sectoral task forces being established by IT&C. The CLC accepted this offer, but refrained from giving it much publicity until after the April convention; indeed, the actual decision of involvement was only made by the Executive Council in mid-April.³⁹ The result of labour's participation on the sector committees will be discussed in the following chapter; what is important to note here is that the government's offer of participation indicated to the CLC that the search for representational status (and thus input into the decision-making process behind state intervention was not entirely futile.

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This section has briefly reviewed events between August 1977 and April 1978 related to the two dimensions of conflict which have formed the thread of inquiry in this and the previous chapter. The following section will attempt to highlight certain aspects for more substantial review in Chapter V; however it is appropriate here to mention the direction in which the CLC was travelling. That the strategy of tripartism came under sustained attack is unquestionable; but equally so is the fact that it was not quashed - bruised,

battered, and in disrepute, but not quashed. Shortly after the 1978 convention Dennis McDermott (the new CLC president) was asked, "what happened to tripartism?" His answer:

Tripartism was a notion, a concept. I see nothing wrong with it. It got a lot of people excited, who normally get excited about things that are none of their damned business.

These people in universities, who have nothing better to do then poke their noses into other people's business, they're the people who really destroyed the tripartite concept, gave it a sinister connotation before anyone had a chance to even try it out (Fin. Times, 8 May 1978).⁴⁰

McDermott also said that he was open to all forms of dialogue, and that over the next ten years the object of industrial relations would be 'to become like Germany or Sweden'. Thus it seems clear that while the word, 'tripartism', had been stricken from official CLC vocabularies, the aim and the process were to continue. As Ed Finn noted, after reviewing some of the same movements toward labour participation in policy formulation mentioned in this section: "tripartism is not dead":

... perhaps this [the sector committees, etc.] is the only way tripartism can be implemented in a country as vast and diverse as Canada - by first gaining a few toeholds, then gradually extending it, step by step, into larger and more important sectors.

Whatever its ultimate fate, tripartism in Canada is not dead. It is not even dormant. Like most other ideas, its time will come - and sooner than we think (Finn, 1978b: 300).

3. CONCLUDING OBSERVATIONS: THE CONFLICTING POSITIONS

The aim of this chapter has been to disentangle and bring some coherence to the distinct yet tightly interwoven processes of negotiation which together constituted a struggle over the structure of representation and intervention. The next chapter will briefly examine events since April 1978 and will address the broader question of the prospects of 'corporatism in Canada' on the basis of the analysis presented in this and preceding chapters. This section will examine a narrower question - what were the immediate stumbling blocks to a tripartite agreement on the formation of an institutionalized consensus arrangement in 1975-1978?

It is necessary, first, to note that by 1977 the discussions were not directed at creating a corporatist political structure: it is clear that the government had no intention of instituting 'equal power-sharing' or tripartite policy formulation à la Manifesto; and it is equally clear that by 1977 the representatives of labour and capital were willing - under certain conditions - to proceed on these terms. Thus this section will not examine the stumbling blocks to corporatism, but the stumbling blocks which prevented a tripartite agreement on a non-corporatist 'consultative' forum. (It is necessary to also note that the non-corporatist consultative forum was a new form of political representation, albeit circumscribed and limited; and as the

discussions indicated, all parties understood and accepted that new forms were required).

The major stumbling block to agreement was the set of minimum conditions of participation under which the CLC would proceed. First, the Congress demanded that the consultative forum be something more than a vehicle for the state to win the consent of organized labour and capital to the existing policy agenda. While the original insistence on 'equal power-sharing at the national level' which animated the Manifesto was moderated in favour of 'advisory input', the Congress remained adamant that the forum possess some role in at least suggesting or advocating particular policies. Second, the Congress was firmly wedded to the condition that wage controls be immediately and instantaneously abandoned. The imposition of controls had been the prime catalyst to the whole process and unless mandatory controls were withdrawn the Congress was unwilling to enter into any permanent consultative mechanism. Third, the Congress leadership was aware that if the state insisted on a formalized pledge of voluntary restraint involving numerical guidelines - especially ones set at or below the existing AIB guidelines - then there was no chance that an agreement could be struck. Although a majority of the leadership was willing to go some distance on this question (perhaps even so far as a public pledge similar to that offered by Morris and Gordon to Trudeau, and perhaps participation on a toothless monitoring agency) the chances

were non-existent that the affiliates would accept a formal undertaking. Fourth, the Congress was committed to securing a claim to represent organized labour in the consultative forum, a commitment which was comprised of two aspects: first, that the consultative forum be based on the principle of institutional representation involving direct nomination of participants with no state vetting power; second, that the CLC be granted an (almost) exclusive right to represent organized labour.

If these conditions had been met then the Congress would have proceeded, notwithstanding the internal dissent around the question of tripartism. It would be extremely difficult, in a work of this scope, to precisely identify the supporters and opponents of tripartism (not least because opinions changed over the period, and within particular unions positions varied widely). However, it is clear that a majority of the Congress leadership were supporters, and that the opposition stemmed chiefly from the outer ends of the movement's political spectrum. The left opposed tripartism for the reason that (in its original formulation) it was corporatist; and the right (ie. the Building Trades) opposed it for the potential effect on 'affiliate autonomy'.

However, this 'alliance' (if it can be so called) would not have been strong enough to halt the momentum toward tripartism in the absence of the 'voluntary restraint' question.

That is, the strength of the internal opposition to tripartism hinged on the possibility that the CLC would be forced to acquiesce to some form of wage controls; thus if the leadership had been successful in having controls withdrawn without a concomitant formal pledge to control the rank-and-file, then the various arguments against tripartism would have been insufficient.

Before turning to the position of the state it is necessary to briefly mention the conditions under which capital was prepared to participate. It is apparent that the representatives of capital were initially unwilling to participate (even in loosely structured tripartite discussions), especially if such participation was to involve 'decision-making' or 'administrative' responsibilities; but, given the modification of the CLC's position, a view developed that tripartite consultations would be 'valuable'. The motivating factor underlying this position was an interest in doing away with controls and in securing an input into the state policy formulation process (on an 'advisory' basis). Further, the BCNI was willing to undertake a commitment to voluntary restraint but, like the CLC, was unwilling to engage in a formal process of enforcing particular guidelines on their constituency (principally because it was not entirely clear that this could be achieved). Lastly, the BCNI was as concerned as the CLC with the question of representative status.

Three chief concerns underlay the stance of the state representatives. First, despite the original interpretation of the CLC, there was an insistence that the consultative forum not be empowered to formulate state policy. There was a willingness to engage in consultations to promote a 'shared understanding' of the facts (as seen by the state) of economic life, but this was not to be extended to actual policy input. (In fact, even an 'advisory' status for the consultative forum would have been problematic since, if consensus was reached on a particular matter, then the participating Ministers would be bound to 'advise' the Cabinet of this direction; and if the Prime Minister and major economic Ministers were to 'advise' the Cabinet, there is not much doubt of the outcome. Thus, even an advisory status would potentially mean de facto decision-making). This position stemmed from an expressed interest in assiduously guarding 'Parliamentary supremacy', but was in fact an interest in protecting and maintaining the prerogatives and autonomy of the executive-bureaucratic nexus of decision.

Second, wage controls could be withdrawn, but only on the condition that a pledge of voluntary restraint was attained, the exact form of which was never clearly specified. This condition was imposed by the Department of Finance and overrode the 'softer' line advocated by the Labour Department and the PCO. Third, the government representatives clung stubbornly to the requirement of multipartism, although it must be stressed

that the commitment was only to token representation from other groups, a fact implicitly recognized by the fact that the negotiations only involved labour, capital and state.

Strictly in terms of labour-state relations then, labour's essential position was that it was only willing to give a weak and non-enforceable commitment to voluntary restraint, but in return wanted a role in policy formulation; and the state's position was that it wanted a tripartite voluntary incomes policy, but was unwilling to grant to labour, in return, a role in policy formulation beyond the administration of restraint. Each, then, was proposing one-half of the crux of the corporatist equation, the problem being that each was proposing a different half: the CLC was proposing that a corporatist structure be adopted in form, but not in content; and the state was proposing a corporatist-like voluntary arrangement, but without a corporatist form or structure.

Nevertheless, that an agreement was almost struck is indicative of the shared realization that new forms of representation and intervention were required to effectively deal with the seemingly intractable economic problems of the Canadian economy. The 1975-78 round met with failure, but it would be overly precipitative to leap uncritically to the conclusion that corporatism was thereby permanently removed from the agenda of labour-state relations.

NOTES TO CHAPTER V

1. Except Staley.
2. Including the ministers of Labour, Finance, Industry, Trade and Commerce, Employment and Immigration, and Health and Welfare and the Secretary of the Treasurer Board.
3. During this period the government was already developing their plans on de-control. A small group, including officials from the PCO, Finance and the AIB, were involved in this task since mid-1976. (Canadian Press Telex, 26 January 1977 and Financial Post, 29 January 1977).
4. See, for example, Canadian Press Telex, 19 November 1976; Montreal Gazette, 7 December 1976; Saskatoon Star-Phoenix, 27 November 1976; and Toronto Star, 13 December 1976.
5. The meeting was held in secret and was organized by (although not conducted by) the C. D. Howe Research Institute.
6. The government representatives were: the Prime Minister and the Ministers of Finance, Labour, IT&C, Employment and Immigration, Health and Welfare, and Supply and Services. The business representatives included those whom attended earlier meetings (see note 46, Chapter VI) except MacIntosh, McCain and Ritchie, and including J. Barrow (Simpson-Sears), A.J. Child (Burns Food), William Hamilton (Employers' Council of B.C.) and W. Ward (CGE).
7. The labour representatives were: Morris, Carr, McGregor and Mahoney. The business representatives were: Demarais, Powis, Barclay and Barrow.
8. The question of the method of de-control (as opposed to the timing) had been discussed in the government during the spring; the April tripartite meeting dealt with this and will be discussed below.

9. This view was expressed by Williams (Steelworkers), Hartman (CUPE), Munro (IWA), McGregor (CBRT) and Barrow (OPSEU). See Globe and Mail, 29 March 1977. Also see Financial Times, 7 March 1977 for the views of McDermott (UAW), Lorrain (CPU), Evans (RCIA), Parrot (CUPW) and others. For the government's emphasis on voluntary restraint see Montreal Star, 2 April 1977.
10. For example, in April at the Power and Participation Conference sponsored by the Metro-Toronto Labour Council, Ron Lang's defense of tripartism was almost unanimously rejected by the other participants whom "passed a motion asking the CLC to halt all further tri-partite efforts". Gonick (1977b).
11. On the CLC's change in emphasis from 'decision-making' to 'advisory' see Financial Times 28 March 1977; Globe and Mail 29 March 1977; and Toronto Star, 4 April 1977.
12. There were 33 people at the meeting- the usual group of Ministers (as well as the Ministers of External Affairs and Fitness and Amateur sport), the usual group of business-persons, and the whole CLC Executive Committee, except Staley.
13. The following discussion is based on CLC (1977a), appended to letter dated 20 May, 1977. Morris to Ranking Officers of Affiliated Organizations, Executive Council, Provincial Federations of Labour, Labour Councils, CLC Regional Directors and Staff (Ottawa: CLC Legislation Department Files). It must be stressed that the quotations from this document should be read in light of its intended readership.
14. Although the CLC's position reflected this conflict, it must be stressed that the conflict continued. For example, the Steelworkers convention held in early May was the scene of vigorous debate over tripartism. The CLC's policy was defended by the Steel leadership and in a speech by Morris. Nevertheless, the delegates endorsed an economic statement that read, in part: "The government is now committed to a long-term strategy which, in labour's view, is morally indefensible and economically unsound. Labour therefore cannot engage in consultations about how such a strategy may be carried out and labour cannot be

satisfied with less than a complete reversal of the strategy itself." (Canadian Press Telex, 5 May 1977). Lynn Williams and Joe Morris held that consultation (in some form) was always necessary, and the leadership did not 'interpret' the economic statement as a directive to halt consultation. (Ibid.)

15. The advice was contained in: Memorandum dated 23 March 1977. Lang to Morris and Carr (Ottawa: CLC Department of Legislation Files). Lang counselled that there was a danger in moving too quickly without the support of the ranking officers. Wilfred List raised the same questions in late April: See Globe and Mail, 26 April 1977. List also notes the shift in emphasis on the part of the CLC from 'decision-making' to 'advisory'.
16. Termination of Controls. Statement signed by Joe Morris and Peter Gordon. (Ottawa: CLC Legislation Department Files, undated). The meeting with Trudeau was secret.
17. The last sentence of this quote was undoubtedly inserted at the insistence of business.
18. It may be well to emphasize, at this point, that the responsibility for the consensus/controls issue shifted in the state during the period with which this chapter is concerned. Initially the Department of Labour played a fairly major role in promoting the idea of a multi- or tripartite forum (especially in DM 10). But, by early 1977 the Department of Finance and the PCO had "taken the ball away from [Labour] ". (Interview).
19. However, the goal of 'full employment' was to be constrained as follows:
Clearly we need more rapid growth of output and employment if the potential of our economy is to be realized. Higher real investment, reduced balance of payments deficits and some gains in consumption can be attained. But as the March 31 budget argued, the pace and manner of pursuing these goals is constrained. A resurgence of the inflationary spiral would turn short term gains in employment into severe subsequent losses. Massive increases in government expenditures to stimulate employment could produce some short-term employment gains, but

at the expense of sustained efficient growth of output, employment and income (Canada, 1977a: 8).

20. See, for example, Montreal Gazette, 28 May 1977; Toronto Star, 28 May 1977.
21. The following discussion is based on Interviews. Eberlee, Shoyama and an official from the PCO represented the government. The CLC representatives included Carr, Montgomery, McGregor and Lang; four of the five business representatives were members of the BCNI, the fifth being John Bulloch of the CFIB. Bulloch's position is not mentioned in the following discussion largely because he didn't agree with anyone. The subcommittee was to have met a second time, however Shoyama left on vacation and the government wouldn't nominate a replacement.
22. The government, privately, felt that if it attained a commitment on voluntary restraint, then the controls programme could be withdrawn as early as August. (Interviews).
23. Government representatives included: the Prime Minister, the Ministers of Finance, Labour, IT&C, Employment and Immigration, Health and Welfare, and Fitness and Amateur Sport and the Secretary of the Treasury Board; the members of the CLC Executive Committee in attendance were: Morris, Montgomery, Carr, Docquier, Munro, and Rose; and the business representatives included: Armstrong, Barclay, Barrow, Bennet, Child, Demarais, Fisher, de Grandpré, Hamilton, Jackson, MacIntosh, McCain, Panet-Raymont (Quebec North Shore Paper), Powis, Ritchie, Sinclair, Ward, Williams, and - never one to be left out - Bulloch.
24. For instance, on the question of the number of CLC members, Morris and Trudeau were apparently still negotiating. (Interview).
25. Several other factors of somewhat lesser importance influenced the decision: the government's threat to legislate striking air traffic controllers back to work; the revelation of a Solicitor-General's 'black list' of union officials (which had been circulated to business);

and the recent tightening of UIC regulations. See Toronto Star, 23 August 1977.

26. This will be examined more closely in Chapter VI.
27. This is illustrated by the reiteration of the call for a Council for Social and Economic Planning in the CLC Executive Council's position paper.
28. On the CUPE convention, see Clarke (1980), Canadian Press Telex, 19 October 1977 and CUPE (1977c).
29. See CUPW (1978).
30. See, for example, Hamilton Spectator September 1977 (an article written by Morris); Canadian Press Telex, 21 September 1977; Financial Post, 5 November 1977; and Toronto Star, 3 January 1978.
31. This was mentioned by Jean-Claude Parrot and confirmed by Morris during debate at the CLC convention. See CLC (1978c: 7-8).
32. 'An Economic, Political and Industrial Strategy for Labour' is contained in CLC (1978c: 12-16). For a repeat performance see the documents tabled at the 1980 CLC Convention (1980b).
33. In February 1978 controls had not yet ended, however a date had been set. There were two meetings in February on the 1st and 7th.
34. The BCNI, in effect, acted as an intermediary between organized labour and the state. See Financial Post, 5 November 1977.
35. For example, on 6 November 1977, officials of the CLC met with the government to discuss several aspects of the Canada Labour Code, a topic which arose later at the 1 February meeting. See CLC (1978a). Apparently these

The CLC's Manifesto was, to all intents and purposes, explicitly corporatist. Moreover, the indications from the government which influenced the development of the Manifesto, also seemed to signal a move toward corporatism. Why, then, did the issue become redefined? As the debate within the CLC did not take on significant proportions until after it became obvious that the government was not particularly enthusiastic about the CLC's proposals, it seems clear that the state's negative response was the critical factor. Several reasons for this lack (or loss) of enthusiasm may be suggested. First, wage controls had already been effectively instituted, and thus the immediate pressure to gain the acquiescence of labour had diminished. Since corporatism is typically linked to the need to institute a voluntary incomes policy, then the impetus had disappeared. Moreover, despite public threats to the contrary, the leaders of organized labour did not seem bent on, or capable of, mounting mass resistance to the controls programme. Second, the government was Liberal, and thus lacked the social democratic ideology which is an important facilitating factor in integrating trade unions. Third, those in government who were advocating corporatism - ie. the Department of Labour - were not sufficiently influential to carry their case. And fourth, capital (the business 'community') initially responded with considerable alarm to the suggestion that their scope of action be attenuated in any substantial, permanent manner.

CHAPTER VI

THE CANADIAN STATE, ORGANIZED LABOUR AND CORPORATISM: CONCLUSIONS AND OUTLOOK

The purpose of this thesis has been to investigate the process of conflict and bargaining around wage controls and corporatism in Canada during 1975-78 in order to examine how the structure of the CLC bears upon the 'movement toward 'corporatism/planning'. This overall movement has been situated in the context of post-World War II labour-state relations, specifically the instability of the post-war settlement and the tendential transformation of political representation (from an interest group mode to a corporatist mode) and state intervention (from an 'indirect' mode to a 'direct' mode). Finally, the method adopted to investigate these patterns and events has been a model of policy formulation which strives to encompass three levels of analysis - the structural, institutional and situational - and their interrelations.

This chapter will address three main questions: the 'usefulness' of the logico-historical overview of the role of the state, and of the model of policy formulation, the 'lessons' which may be gleaned from the debate over tripartism in 1975-78, with particular reference to the structure of, and internal conflicts in, the CLC; and the 'prospects' for corporatism in Canada (in view of both the lessons of 1975-78 and subsequent events).

1. The Logico-Historical Model and Policy Analysis¹

Like any theoretical framework - or conceptual prism - the logico-historical overview of political representation and state intervention employed in this thesis necessarily refracts, simplifies and distorts the 'real' world. In so doing it therefore has both advantages and drawbacks. The drawbacks concern the level of generality at which the overview is cast, as well as its schematic view of history. That is, while the broad structural changes of capitalism and of the role of the capitalist state are discerned by the logico-historical model, the richness and variety of detail, and the rhythm of development, of individual social formations and states cannot thereby be fully captured. Moreover, the schematic nature of the overview wrongly implies a unilinear historical progression, which an examination of individual cases proves tenuous. However, despite these recognizable drawbacks, the model is useful in highlighting broad structural patterns and transformations. Without a broad perspective such as this, narrower patterns and occurrences hold meaning only in themselves. With respect to this thesis, situating labour-state relations within the overall context of the post-war Canadian political economy has drawn attention to the breakdown in the post-war settlement as a prime reason for the movement toward corporatism/planning; and the separation, and equal emphasis, of political representation and state intervention has served to underscore the relationship between corporatism and planning

(ie. the relationship between the integration of the trade union movement into the state and incomes policies).

The logico-historical overview by itself, however, still remains limited by its generality. Thus a methodology of policy analysis has been proposed in order to investigate the specific Canadian experience with which this thesis has been concerned. Attention has been drawn to three levels of analysis - the structural, institutional and situational - and it has been suggested (following Alford) that the levels should be seen as interactive. Thus organizations were conceptualized as being reflective of (structural) social relations of production, and situational struggles were seen to be inextricably rooted in the structural and institutional context. And, on an epistemological level, it has been stressed that outcomes are never pre-determined; although powerfully shaped by institutions and structural relations, history does not unfold inevitably in some teleological manner. The class struggle, in a well-used phrase, is the motor of history.

As noted in Chapter I, the purpose of the thesis was not to 'validate' the method of policy analysis; and it was also stressed that not every event or occurrence would be analyzed with reference to all three 'levels'. Nevertheless, this perspective on the policy formulation process has proved useful (at least to the present author) in two ways.

First, it has helped in understanding the unique patterns of transformation which have characterized the

development of the Canadian social formation by emphasizing how the historically-developed institutional configuration of the state and trade union movement in Canada affected, and was affected by, the broad structural movements which attended the development of capitalism in most social formations. For example, the state's tenuous commitment to full employment has been explained with reference to the dominance of a mercantilist accumulation strategy, and to the relative weakness of the organized working class. Second, it has been useful to go beyond the structural and institutional levels and make reference to the situational level. Policies, decisions, and non-decisions are resultants of struggles, the outcomes of which are never pre-determined. Thus the analysis of the conflict and bargaining around corporatism and wage controls has sought to draw attention to the fact that the patterns of alliance, strategic strengths and weakness, intra-organizational fissures and, occasionally, happenstance, shape the outcomes of broader structural 'movements'.

While the perspective on policy analysis used here has therefore proved to be of some use, it should be said that a more rigorous development is required. Especially interesting would be the development of the notion of 'discourse' to supplement and balance the emphasis on how structural relations are crystallized in organizational routines and procedures. As well, a potentially fruitful, and heretofore largely overlooked,

line of inquiry would be an explicit analysis of 'labour-state relations'. This topic has not received much attention from Marxists; although theories of 'the state' abound, as do theoretical treatments of organized labour, little has been done on the relations between organized labour and the state. This lacuna has been partly circumvented here by linking labour and the state together through the concepts of political representation and state intervention; however, much more (or perhaps something different) needs to be done.²

To summarize. No claims can be made concerning the validity or invalidity of the theoretical tools used here. If the analysis has proved at all useful, that is, if some light has been shed on the trends and events which were investigated, then the conceptual prism has served its purpose.

2. The Lessons of the Tripartism Debate

While much of the analysis in Chapters II and III was taken up with demonstrating that there is a discernible, tendential movement toward 'corporatism/planning' in Canada, Chapters IV and V detailed the failure to achieve corporatism - indeed, the failure to even achieve 'tripartism'. Corporatism per se was not being debated by the time the trilateral talks failed in the summer of 1977; thus, before outlining the 'lessons' of the tripartism debate, it is necessary to briefly mention why corporatism was not at issue.

The CLC's Manifesto was, to all intents and purposes, explicitly corporatist. Moreover, the indications from the government which influenced the development of the Manifesto, also seemed to signal a move toward corporatism. Why, then, did the issue become redefined? As the debate within the CLC did not take on significant proportions until after it became obvious that the government was not particularly enthusiastic about the CLC's proposals, it seems clear that the state's negative response was the critical factor. Several reasons for this lack (or loss) of enthusiasm may be suggested. First, wage controls had already been effectively instituted, and thus the immediate pressure to gain the acquiescence of labour had diminished. Since corporatism is typically linked to the need to institute a voluntary incomes policy, then the impetus had disappeared. Moreover, despite public threats to the contrary, the leaders of organized labour did not seem bent on, or capable of, mounting mass resistance to the controls programme. Second, the government was Liberal, and thus lacked the social democratic ideology which is an important facilitating factor in integrating trade unions. Third, those in government who were advocating corporatism - ie. the Department of Labour - were not sufficiently influential to carry their case. And fourth, capital (the business 'community') initially responded with considerable alarm to the suggestion that their scope of action be attenuated in any substantial, permanent manner.

Nevertheless, there was a willingness to proceed with discussions. Although it may be argued that the government continued the discussions solely to forestall a more militant reaction from labour, this is only partly true. The government was serious (in its intentions) to plan structural changes, changes which would be greatly facilitated through the co-operation and participation of capital and labour. As well, despite the successful imposition of controls, the growing unpopularity of controls eventually made a voluntary agreement an attractive prospect. Finally, the conversion of the BCNI, and the BCNI/CLC agreement was a critical factor. It was in this context of the state's unwillingness to institute fully-fledged corporatism, but to continue discussions aimed at less grandiose changes, that 'tripartism' became the central issue.

The analysis in Chapters IV and V highlighted two levels of the conflict around wage controls and corporatism - the labour-state-business level, and the intra-labour level. At the former level an agreement was very nearly reached. To be sure, the orientation of the state and that of organized labour were considerably different. The CLC wanted participation in state policy formulation without agreeing to administer a voluntary restraint agreement on its members; and the state, of course, desired just the reverse. However, had the leaders of organized labour³ possessed a free hand, they would almost certainly have agreed to some measure of self-restraint, and

a compromise could easily have been reached on such questions as the exact formula of representation, the constitution of the monitoring agency, and the other outstanding issues. (indeed, if the Department of Finance had not imposed a hard line on the nature of the commitment to restraint, a compromise might have been reached even given the limits of the CLC leadership).

But the CLC leadership did not have an entirely free hand, for those opposed to tripartism were successful in limiting the range of options open to the leadership. But the reason for their success hinged on the question of voluntary restraint. Although opposition to tripartism was based on several considerations - the left opposing it for being corporatist, the right opposing it for being centralist⁴ - it was the issue of voluntary restraint which most effectively tied the hands of the pro-tripartite faction. If the CLC leadership had been able to reach an agreement without a concomitant pledge of wage restraint, or if the pledge was clearly nebulous and unenforceable, then those opposed to tripartism would have failed. The left, by itself, is simply not influential enough; and neither is the right.

To summarize. The attainment of corporatism in one fell swoop was taken off the agenda because, from the perspective of the state, such an arrangement was unnecessary; and 'tripartism' failed because of resistance within the CLC to voluntary

restraint. However, if corporatism had not been removed from the agenda, or had a tripartite agreement of some sort been struck, then the question would have become: Can corporatism work in Canada? Specifically, given the decentralized structure of the CLC, could it be reasonably expected that the leadership of the labour movement is capable of participating in the formulation and administration of state policy?

The answer to this hinges on several factors. Given that there was an opportunity to participate in corporatist structures (ie. given that capital and the state were in favour), then two obstacles would need to be overcome: the resistance of the various internal factions in the CLC; and the present inability of the CLC leadership to enforce their decisions (ie. administer the policies which were agreed upon in a corporatist structure). The following section will assess the likelihood that these obstacles could be surmounted.

3. Events Since 1978 and Prospects for Corporatism in Canada⁵

Before discussing whether or not the decentralized structure of the CLC, and the internal dissension over tripartism, are surmountable from the perspective of instituting corporatism, it will be useful to outline briefly several developments which have occurred since April 1978. As will be seen, events since April 1978 indicate that corporatist initiatives are continuing, although on a somewhat less grand scale than previously, and certainly with less fanfare.

It will be recalled that in the spring of 1978 the federal government initiated a series of twenty-three industry consultative Task Forces.⁶ These Task Forces were comprised of representatives from business, labour and academia, and included representatives of the federal and provincial governments as observers. This initiative was undertaken by the Department of Industry, Trade and Commerce, and was strongly supported by the then-Minister, Jean Chrétien, and his deputy-minister, Gordon Osbaldeston.⁷ The twenty-three reports were then forwarded to the 'Second Tier Committee' which was to "identify and make recommendations about factors and policies that cut across sector lines ... and to pull together the common threads running through the reports to make recommendations on broad economic policy ..." (Canada, 1978a: 2). The Tier II Committee was comprised of five representatives from the CLC, five representatives from business, an academic, and a mutually-selected chair.

From the perspective of this chapter, two events linked with the Tier I and II process are important. First, stemming from the Tier II report was the creation of a 'Major Projects Task Force' which is again comprised of business and labour, but is supported by the government. The Task Force's purpose is to:

examine all major projects coming on stream in the next decade with the view to recommending policies to maximize Canadian content, both in

the construction phase and in long-term down-stream benefits to strengthen secondary manufacturing and to create jobs (Lang, 1979: 12).

The Task Force is comprised of a number of subcommittees investigating issues such as the role of multinationals in Canada and other issues of concern to the parties. The process has been going on since early 1979, and a report is expected soon. Although the meetings have been kept under tight wraps, it is fairly certain that both business and labour are enthusiastic about the progress made to date.

The second development linked to the Tier I and II process is a joint proposal by the CLC and the BCNI for the establishment of a 'national manpower body' (CLC, 1980a).⁸

The Tier II report contained the following recommendation:

For an overall picture, an autonomous body, jointly supported by provincial and federal governments and by business and labour should be created to integrate sector inventories of manpower availability and needs and to advise on manpower policy, training and educational requirements. This body would make reports assessing the medium and long-term manpower requirements (Canada, 1978a: 15).

The BCNI/CLC proposal - which contains such details as staff requirements and a budget - calls for a body to be

administered and operated as a bi-partite body with provincial and federal representatives attending in an ex-officio capacity. Business and labour support would be to operate all phases of the manpower body's activities from hiring staff, to setting up the sector organizational subcommittees, to directing the data gathering and research activities. In other words, the manpower body would be a labour/business venture but supported financially by governments (CLC, 1980a: 3).

The joint proposal is presently before the Minister of Employment and Immigration.

These two initiatives, as well as others,⁹ would seem to indicate that organized labour and business are eager to participate in public policy formulation. However, three questions immediately arise: Is the state as willing to proceed as are labour and business? Are the events indicative of an attempt to institute corporatist arrangements? And, will the CLC be able to participate?

Within the federal government there are at least three groups currently advocating corporatist, or at least tripartite, measures. First, the Department of Labour has been advocating the idea in general, and has apparently been attempting to resurrect the CLRC, or a variant thereof. Second, the Department of Industry, Trade and Commerce, which initiated the Tier I and II process, seems to have remained supportive. And third, the Ministry of State for Economic Development has been advocating a closer cooperation between business, labour and the state. (Indeed, the Ministry of State for Economic Development under the Clark government spent much energy organizing a tripartite national economic development conference. This endeavour was cancelled by the 1979-80 election). Under the new government, the MSED is continuing the strategy of forging cooperative links. As the terms of reference of the MSED read:

... the Minister of State for Economic Development shall formulate and develop policies with respect to: ... the fostering of cooperative relationships with respect to industrial developments with the provinces, with business and labour and with other public and private organizations (PCO: 1978a).

Are these initiatives, and those being pursued by the BCNI and CLC, indicative of a move toward corporatism? Various components of the state appear to be at least receptive; and the CLC and BCNI seem bent on using their new-found alliance to gain a role in policy formulation. It may be suggested here that a new strategy for instituting corporatism is emerging. That is, given the failure to impose corporatism in one fell swoop (*à la Manifesto*), it seems that corporatist arrangements are being forged on a piecemeal, ad hoc basis. If the various initiatives and patterns discussed here are successful (and this is by no means certain) then a solid base for larger-scale corporatist structures will be in place.

The CLC has encountered little internal difficulty in regards to these activities. However, corporatism is intimately bound up with incomes policies. As Panitch has stressed, it is the necessity to achieve wage restraint in the context of full employment which, more than any factor, accounts for pressures toward corporatism (1979b). Thus, even if the developments discussed here were successful, could they be used to institute an incomes policy?¹⁰ To answer this question, it is necessary to examine the two obstacles which stand in the way of CLC participation.

The first obstacle - dissension within the CLC over tripartism or corporatism is, in the absence of an incomes policy, not particularly serious. Drawing on the 1975-1978 experience, it may be suggested that those who oppose tripartism are simply not influential enough to block any movements in that direction. Indeed, the anti-tripartite factions were unsuccessful in having a resolution passed at the 1978 convention blocking tripartism; and since that time the continuing participation of labour leaders in bipartite and tripartite consultations (including leaders of CUPE, one of the unions from which much of the opposition stemmed) demonstrates that, although the word 'tripartism' has been excised from official CLC vocabularies, the process has not thereby been halted.

However, if the CLC leadership was to attempt to participate in a voluntary incomes policy, the outcome is uncertain. The decentralized structure of the CLC means that most, if not all, of the major affiliates must agree to participate. Several factors may make participation easier than previous attempts. First, if the various initiatives which have emerged since 1978 are continued with relative success, or even extended, then this could lead to a centralization of influence in the Congress. Second, even if this does not lead to a centralization of influence, the labour leaders who are currently participating on other forums

may become convinced that there is a benefit to be gained by corporatist, voluntary arrangements. And third, there may be a desire to avoid mandatory controls. That is, the 1975 attempt to gain voluntary consensus occurred against the background of Trudeau's election promise to not institute controls; thus, labour leaders now realize that controls are not an unlikely strategy and, moreover, have seen that mandatory controls bring considerable hardship.

To summarize, then: the CLC could participate in an incomes policy; but this is far from certain. The decentralized structure of the movement operates as a powerful restraint, but not an insurmountable one. It should also be said that, even if the CLC was more centralized, voluntary participation would be certain to bring internal dissension. Incomes policies have rarely proved to be viable past the short-term, despite leadership support. What is fairly certain is that the leadership of the labour movement is committed to a corporatist strategy over the long-run. As John Fryer, leader of BCGEU, wrote during the debate on tripartism (to a CUPE official advocating a militant strategy):

... the Congress has carefully looked at the two alternative strategies for fighting controls; the one being co-operation, as outlined through the tripartism approach and the second being one of confrontation which ... I assume to be your approach. The CLC clearly chose the tripartism approach.¹¹

NOTES TO CHAPTER VI

1. The following remarks will be brief and are meant to indicate the usefulness of the theoretical framework, not its 'validity'.
2. See Panitch (1979b) for a similar lament. Two exceptions should be noted: Strinati (1979) and Lipsig-Mummé (1980).
3. In the following the 'leaders of organized labour' will be referred to as a group. As the analysis in previous chapters should have made clear, this is an oversimplification.
4. As the focus of the thesis has been on the manner in which internal debate constrained and structured the CLC leadership's bargaining position vis-à-vis the state and capital, not much attention has been paid to the reasons why particular affiliates responded to tripartism in different ways. For example, why was CUPE opposed to tripartism, while the International Association of Machinists and Aerospace Workers was supportive? It has been suggested in the thesis that the left/right dimension helps explain the differential responses; but obviously other factors were important, such as the individual inclinations of particular leaders, or the potential effects of tripartism on organizational power.

The latter factor would prove to be an interesting line of inquiry. Tripartism or corporatism would have led to some centralization of power in the labour movement, which, in turn, would have led to a decrease in the power of some affiliates. But this would have occurred unevenly: larger affiliates would, in general, have retained power because of their importance in any tripartite process; smaller affiliates would have lost some power. And within unions, power would have shifted upwards (ie. away from units responsible for collective bargaining toward the leadership). It would be interesting and fruitful to analyze the differential responses of the affiliates along these lines. However, this was not undertaken in this thesis as the focus has been upon how the internal conflict shaped the CLC's position in the bargaining and conflict around wage controls and corporatism.

5. The following is not a full description of events since 1978; these developments are at least as tangled as those discussed in Chapters IV and V. Work in progress by David Langille should disentangle them.

6. See Chapter V, Section 2.
7. See French (1980: 120-132).
8. Also see Globe and Mail, 30 April 1980.
9. For example, a labour-business committee, co-chaired by Roy Bennett (Ford) and Dennis McDermott, was operating in 1979 to develop recommendations concerning labour relations. See Globe and Mail, 12 March 1979.
10. This of course raises the question of whether an incomes policy is likely. At the moment, all that can be said is that many of the conditions which characterized the 1974-1975 period (tightening international economic environment, increased wage gains, double-digit inflation, and the down-side of the business cycle) are currently in evidence.
11. Letter dated 24 February 1977. Fryer to Earl Longworth. CLC Legislative Department files.

APPENDIX 1 : STATISTICS

TABLE 1

315

	<u>CPI</u> ¹	<u>UNEMPLOYMENT</u> ²	<u>SHARES OF NATIONAL INCOME</u> ³	
			<u>WAGES, SALARIES</u>	<u>CORPORATION PROFITS</u> <u>BEFORE TAXES</u>
1939	-0.8	11.4		
1940	4.0	9.2		
1941	5.9	4.6		
1942	4.7	3.0		
1943	1.8	1.7		
1944	0.5	1.4		
1945	0.5	1.6		
1946	3.3	2.6		
1947	9.4	1.9	63.8	17.5
1948	14.4	1.6	63.6	16.5
1949	3.1	2.0	63.6	15.1
1950	2.9	2.7	62.9	17.9
1951	10.5	1.5	62.6	18.3
1952	2.5	2.0	62.0	15.8
1953	-0.9	2.1	64.9	14.8
1954	0.6	4.6	67.3	13.8
1955	0.2	4.4	65.6	15.9
1956	1.5	3.4	66.3	16.1
1957	3.2	4.5	69.1	14.0
1958	2.6	7.0	68.0	13.9
1959	1.1	6.0	69.0	14.3
1960	1.2	7.0	69.8	13.4
1961	0.9	7.1	70.5	13.7
1962	1.2	5.9	69.4	13.7
1963	1.8	5.5	69.0	14.2
1964	1.8	4.7	69.1	15.5
1965	2.4	3.9	70.1	15.3
1966	3.7	3.4	70.5	14.5
1967	3.6	3.8	72.7	13.7
1968	4.0	4.5	72.0	14.2
1969	4.6	4.4	72.6	13.7
1970	3.3	5.7	74.1	12.0
1971	2.9	6.2	74.1	12.3
1972	4.8	6.2	73.5	13.6
1973	7.6	5.5	71.7	16.3
1974	10.8	5.3	71.4	17.6
1975	10.8	6.9	73.1	15.2
1976	7.5	7.1	73.5	13.6
1977	8.0	8.1	74.3	13.6
1978	9.0	8.4	73.2	14.4

TABLE 2

STRIKES AND LOCKOUTS⁴

	<u>NUMBER</u>	<u>WORKERS INVOLVED</u>	<u>WORKER-DAYS LOST</u>	<u>% OF ESTIMATED WORKING TIME</u>
1939	122	41,038	224,588	.04
1940	168	60,619	266,318	.04
1941	231	87,091	433,914	.06
1942	354	113,916	450,202	.05
1943	402	218,404	1,041,198	.12
1944	199	75,290	490,139	.06
1945	197	96,068	1,457,420	.19
1946	226	138,914	4,515,030	.54
1947	234	103,370	2,366,340	.27
1948	154	42,820	885,790	.10
1949	135	46,867	1,036,820	.11
1950	160	192,500	1,387,500	.15
1951	258	102,793	901,620	.09
1952	219	112,273	2,765,510	.29
1953	173	54,488	1,312,720	.14
1954	173	56,630	1,430,300	.15
1955	159	60,090	1,875,400	.19
1956	229	88,680	1,246,000	.11
1957	245	80,695	1,477,100	.13
1958	259	111,475	2,816,850	.25
1959	216	95,120	2,226,890	.19
1960	274	49,408	738,700	.06
1961	287	97,959	1,335,000	.11
1962	311	74,332	1,417,900	.11
1963	332	83,428	917,140	.07
1964	343	100,535	1,580,550	.11
1965	501	171,870	2,349,870	.17
1966	617	411,459	5,178,170	.34
1967	522	252,018	3,974,760	.25
1968	582	223,562	5,082,732	.32
1969	595	306,799	7,751,880	.46
1970	542	261,706	6,539,560	.39
1971	569	239,631	2,866,590	.16
1972	598	706,474	7,753,530	.43
1973	724	348,470	5,776,080	.30
1974	1,218	580,912	9,221,890	.46
1975	1,171	506,443	10,908,810	.53
1976	1,039	1,570,940	11,609,890	.55
1977	803	217,557	3,307,880	.15
1978	1,058	401,688	7,392,820	.34

TABLE 3

	NUMBER OF WORKERS ORGANIZED	PROPORTION OF NON-AGRICULTURAL LABOUR FORCE ORGANIZED
1939	359	17.3
1940	362	16.3
1941	462	18.0
1942	578	20.6
1943	665	22.7
1944	724	24.3
1945	711	24.2
1946	832	27.9
1947	912	29.1
1948	978	30.3
1949	1,006	29.5
1950		
1951	1,029	28.4
1952	1,146	30.2
1953	1,220	33.0
1954	1,268	33.8
1955	1,268	33.7
1956	1,352	33.3
1957	1,386	32.4
1958	1,454	34.2
1959	1,459	33.3
1960	1,459	32.3
1961	1,447	31.6
1962	1,423	30.2
1963	1,449	29.8
1964	1,493	29.4
1965	1,586	29.7
1966	1,736	30.7
1967	1,921	32.3
1968	2,010	33.1
1969	2,075	32.5
1970	2,173	33.6
1971	2,231	33.6
1972	2,388	34.4
1973	2,591	36.1
1974	2,732	35.8
1975	2,884	36.9
1976	3,042	37.3
1977	3,149	38.2
1978	3,278	39.0

NOTES TO TABLES

1. From: Wolfe (1980) and Department of Finance, Economic Review, 1978, 1979.

2. From: Wolfe (1980) and Department of Finance, Economic Review 1978, 1979.

3. From: Department of Finance, Economic Review, 1979.

Total does not equal 100 per cent since other components of national income are omitted.

4. From: Department of Labour, Strikes and Lockouts in Canada, 1977 and 1978.

6. From: Labour Gazette, Anniversary Issue, 1975. The figures for 1950 are missing because there was a change in the dating. The 1949 figures are for December 31, 1949; the 1951 figures are for January 1, 1951.

APPENDIX 2: ON DENNIS MCDERMOTT

first C.U.P.W. opposes
tri-partism, then they defend
the right to strike. All this
infantile rhetoric is making me
sick.

CAIMAW Review, December, 1978

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4. Interviews

Note: The interviews were conducted on a confidential basis. The text only notes that a particular fact is based on the interviews.

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Raymond Arsenault. Staff Representative, Canadian Union of Public Employees. 6 March 1980.

Ian Barclay. Chairman of the Board, British Columbia Forest Products Ltd. 17 June 1980.

Geoff Bickerton. Research Department, Canadian Union of Postal Workers. 3 March 1980.

John Carter. Senior Policy Advisor, Policy Coordination and Liason, Labour Canada. 27 March 1980.

John Chenier. Ministry of State for Economic Development. 18 March 1980.

Stewart Cooke. Director, District 6, United Steelworkers of America. 9 May 1980.

Kealey Cummings. National Secretary Treasurer, Canadian Union of Public Employees. 19 March 1980.

Sam Fox. Director, Clothing Division, Amalgamated Clothing and Textile Workers Union. 7 May 1980.

Sam Ginden. Research Director, United Auto Workers. 12 March 1980.

Stephen Handfield-Jones, Assistant Deputy-Minister, Department of Finance. 22 May 1980.

Ed Johnson. Director of Organization, Canadian Labour Congress. 14 March 1980.

Larry Katz. Research Department, Canadian Union of Public Employees. 19 March 1980.

Ronald Lang. Director, Research and Legislation, Canadian Labour Congress. 27 March 1980.

William Snarr. Privy Council Office. 23 April 1980.

Rosemary Warskett. Staff Representative, Public Service Alliance of Canada. 13 March 1980.

5. Newspapers

Note: Research of newspaper articles was accomplished through the use of the Press Clipping service of the Anti-Inflation Board. The following list includes the newspapers which are referred to in the thesis. In brackets after each name is the abbreviation used.

Calgary Herald (Herald)

Canadian Press Telex (CP)

Edmonton Journal (Ed. Journal).

Financial Post (Fin. Post)

Financial Times (Fin. Times)

Globe and Mail (G & M)

Hamilton Spectator (Spectator)

Montreal Gazette (Gazette)

Montreal Star (M. Star)

Ottawa Citizen (Citizen)

Ottawa Journal (Ott. Journal)

Saskatoon Star-Phoenix (Star-Phoenix)

Toronto Star (T. Star)

Winnipeg Tribune (Winn. Trib.)

6. Miscellaneous

Barclay, Ian. 1979. 'Notes for an Address to the Conference on Consultation and Advocacy.' Sponsored by the Conference Board in Canada, Ottawa, 20 November 1979. Ottawa: The Conference Board in Canada.

Ginden, Sam. 1977. 'Tripartite Consultation At The National Level.' Comments at the Conference on "Industrial Democracy In Western Europe. Its Relevance For Canada." University of Toronto, November 23-24, 1977.

Lang, Ronald. 1979. 'Remarks to the Conference Board in Canada's Session on "Formal Consultation: A New Era in Public Policy Formulation?"' Sponsored by the Conference Board in Canada, Ottawa, 20 November 1979. Ottawa: The Conference Board in Canada.

Munro, John. 1976. "Notes for an address on the Canadian Labour Relations Council." Given at the Nova Scotia Joint Labour-Management Study Committee, Halifax, February 6, 1976.

Regan, Gerald. 1980. 'Notes for an Address by the Minister of Labour, The Honourable Gerald A. Regan, P. C., Q. C., M. P., to the Second Canadian Convention of the Building and Construction Trades Department, Calgary Convention Centre, Calgary, Alberta, July 14, 1980.'

Transcript of Conversation: Right Honourable Pierre Elliott Trudeau, Prime Minister of Canada with Bruce Phillips and Carol Taylor, CTV. Taped 23 December 1975, Air Date 18 December 1975. Ottawa: CHOY-TV, Mimeo.

Transcript of the Prime Minister's Interview with Terry Hargreaves and Peter Cooke, CBC-Radio. Recorded 19 December 1975 for Broadcast 28 December 1975. Ottawa: CBC-Radio, Mimeo.

Transcript of Question Period. Host: Bruce Phillips; Guest: J. Morris; Panel: Douglas Fisher, Charles Lynch and Richard Gwyn. Taped: 9 January 1976; Air Date: 11 January 1976. Ottawa: CJOH-TV, Mimeo.

Warrian, Peter. (Research Director, U.S.W.A.). 1980.
'Comments on Chris Jecchinis, Tripartite Cooperation and Consensus in Incomes Policies and the Fight Against Stagflation: Certain European Experiences and the Prospects for Canada.' Paper presented at the Canadian Industrial Relations Association Meeting, Montreal, 3 June 1980.

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