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CONTENTS

Problems of Labour-Management Relations	1
Matching the Man to the Job	3
Imports and Exports Up	4
Forestry Research Grants	4

Expo '67 Lectures	4
Territorial Gas Purchase	5
Visitor Centre for St. John's	5
Olivier at Expo '67	5
Trade Fair Schedule	5

PROBLEMS OF LABOUR-MANAGEMENT RELATIONS

The following are excerpts from an address by Mr. John R. Nicholson, the Minister of Labour, to the Canadian Association of Purchasing Agents, Toronto, on February 8:

...Most of the difficulties in labour relations during 1966 arose out of strikes or threatened work stoppages. Most of our difficulties were connected with industrial disputes in the transportation field.... It is this kind of dispute that makes the headlines. This is natural enough because the effects of even short transportation tie-ups can be crippling, very crippling, in a country such as Canada, where distances are great and where we are so dependent on transportation for our well-being. A work stoppage in this sensitive area quickly becomes a national emergency and often can be handled only by emergency measures.

During 1966, several factors combined to create the many difficult and complex problems we had to face....A number of important collective agreements were due to be negotiated, agreements in the inter-provincial and international trucking field, agreements with both major railways involving well over 100,000 employees, agreements with several of our airlines, agreements with the longshoremen on both coasts, agreements in the telecommunication field, all of which had to be renegotiated during this year of crises.

Secondly, Canada has been enjoying one of the most prosperous periods in its history. Happily, in spite of our difficulties, this prosperity still continues. It is in times of expectation and optimism, however, that labour quite naturally may be expected to seek their share of the general prosperity. To me

it is entirely logical for our work force to try to advance their interest when times are good.

The third factor, which is becoming increasingly important and which, in the eyes of many, is perhaps the most important of all, concerns job security in the face of technological change. More and more, this third factor is occupying a larger place in industrial relations.

A VOICE FOR LABOUR

There is no stopping any technological change. It would be most unwise for labour or anyone else to attempt to do so. An exporting nation such as Canada must take advantage of new developments to remain competitive. Organized labour recognized this, but, of late, their spokesmen have made it clear that these changes will not come about at the expense of the workers and their families. Labour today is asking that they have a voice in a matter which affects them so deeply....

Labour insistence, however, about job security in the face of the changes to which I have referred has set the scene for some really tough bargaining by both labour and management, bargaining that led to many of the strikes and threats of strikes that persisted from January to December 1966. The work stoppages were costly, very costly, and some of them posed such grave threats to the national economy that they just could not be allowed to continue.

LONGSHOREMEN'S STRIKE

In the case of the strike of the longshoremen in the three St. Lawrence ports and the strike of railway workers, Parliament was forced to step in where there

seemed no other hope of speedy settlement. Parliament nearly had to intervene to prevent a threatened work stoppage by the workers on the St. Lawrence Seaway, and you will recall that we were within minutes of inviting Parliamentary action when the work stoppage in B.C. ports, which threatened the economy of Western Canada, was brought to an end through mediation.

The St. Lawrence dock-workers dispute involved a long work stoppage - a very long one. It lasted 38 days. It was very costly. It endangered our tightly scheduled wheat shipments. It affected many vital industries that ship or receive through St. Lawrence ports, including the steel, the automotive, the forest, the chemical and the asbestos industries. It affected Expo '67. It affected international trade and international relations....

SEAWAY DISPUTE

The Government became involved in the Seaway matter for the same reason that it became involved in the dispute of the longshoremen. It was absolutely essential to keep the St. Lawrence Seaway operating especially after the crippling strike in the three Quebec ports, which had gone on for five weeks and had just been settled.

The Seaway was, in a very real sense, a Canadian life-line, and, under the circumstances, and having regard to the very special conditions prevailing in the Seaway at that time, I believe the course of action followed by the Government was not unreasonable. We should have been severely criticized had we allowed another disastrous strike to occur, even if it only lasted for a few days....

RAILWAY DISPUTE

...There was the stoppage of rail service in August last, largely because of a dispute involving the non-operating railway employees.... It was precipitated by very substantial wage demands, and by the concern of the unions with their job security in the face of inevitable technological changes, but it brought into question the whole basis of operation of Canadian railways. It also threw a harsh light on some inadequacies in our industrial relations legislation....

Recently, my Department has analyzed the results of recent collective bargaining for 34 large groups of employees in Canada outside the construction industry, which is seasonal in most parts of Canada.

There is, I assure you, absolutely no pattern of uniformity, based on 30 per cent or anywhere near that figure.

RANGE OF GAINS

Wage gains ranged from one settlement of 4 per cent over a period of less than 15 months to 70 per cent over a period of about 30 months, and I can assure you the Government played no part whatever in that settlement. It was genuine, straightforward, free collective bargaining. In between these extremes, almost every possible percentage wage increase can be found.

Among these are increases of 35 per cent over three years for transport drivers in Ontario, 50 per cent over a three-year contract in Quebec logging, and 70 per cent over a three-year contract on wood-cutting operations of the Anglo-Canadian Paper Company. All of these settlements by private industry preceded by several weeks the settlement with the dock workers.

Now, in my opinion, there is obviously something wrong when rail disputes, and disputes in other national transportation and communication industries, regularly come before Government, and at times Parliament, with major issues still undecided after several months of bargaining and conciliation board hearings.

This kind of thing certainly represents a breakdown in our system of collective bargaining, the system that has for several decades been the cornerstone of industrial relations in Canada. It is difficult to lay the blame for the present regrettable situation in any one place, but I incline to the view that the main culprit is just technological and other desirable - in fact, other necessary - changes, which pose problems that our existing industrial relations procedures are not equipped to solve.

INDUSTRIAL TASK FORCE

One thing seems clear - that the time has come for a re-examination of industrial relations and the mechanism for dealing with industrial disputes in this country. This is the job of the task force announced by the Prime Minister at the beginning of September, composed of Canadian industrial-relations experts, outside and inside the Government....

The task force will, of course, consider the Freedman Report, among other reports and analyses. I hope that it will come up with new ideas about labour relations that will guide us towards new methods of consultation and collective bargaining tailored to today's conditions.

GREATER PRODUCTIVITY NEEDED

Certainly, new ideas are required, if we are to solve the problems of labour-management relations in this age of rapid technological change. That more and more technological changes are inevitable, and necessary, no one can doubt. We must continue to increase our national productivity to meet world-wide competition and to maintain a stable economy. Remarkable increases in wages, shortened hours of work, and other fringe benefits have been possible in the past 20 years in Canada, only because of increased productivity.

We must increase our knowledge and our skills. We must use the most modern techniques of management, and we must seize on every new technological advance that we can use to advantage. Governments can assist, unions can co-operate, but, in the final analysis, it is management's responsibility to provide the best tools, the best training, the best working conditions and the best methods....

MATCHING THE MAN TO THE JOB

The following excerpts are from a recent address by the Minister of Manpower and Immigration, Mr. Jean Marchand:

...Canada still depends, to a considerable extent, on immigration for her supply of technical and skilled workers. Occupations in the professional and skilled groups have been in short supply, and some local labour markets have experienced general or specific shortages of workers, while in other areas there were not enough jobs to meet the needs of the community. Job vacancies have been available to the unemployed, but many were unskilled or poorly educated and unable to take advantage of them.

The goals of high economic growth and full employment can never be attained as long as this mismatching of jobs and people continues, and as long as we neglect to seek out the vocational aptitudes of our labour force.

How, then, do we provide the system and the programmes which will enable people to be fully productive and to respond to the present demand for their services in our economy?

We began by manning our five regional offices with top men recruited from Canada's major industries. We have relied heavily on these men to provide us with the kind of people in our more than 200 Canada manpower centres who are trained to offer to the public all the assistance at their disposal. We have developed a strong training programme for this staff to orient them to the needs of the modern labour market and to the challenges which they face daily. Our aim in obtaining and training these people is to further contribute to our ideal of a total manpower service based on counselling. Not the rather old-fashioned idea of placing the individual in a certain job nor of simply providing the employer with the personnel to fill vacant positions, but instead we are now teaching ourselves how to counsel employers and employees in order to help them achieve an effective deployment of the Canadian labour force.

There are a number of key tools used by our counsellors in advising clients, in addition to their own personal academic and vocational qualifications, knowledge of the manpower area, and a keen interest in and understanding of the problems of the labour force in general. These include training programmes, vocational rehabilitation, employment stabilization, and manpower mobility programmes....

I would like for a moment to describe to you some of our present programmes and to tell you how we hope to see these evolve in the future.

TRAINING PROGRAMMES

The educational responsibility in Canada lies with the provincial governments. Because technical and vocational training is so directly related to meeting the needs of the economy, the Federal Government has developed very substantial support for provincial programmes in this field. This has been developed through training plans for both adults and youth. However, as some of you may already know, we propose now to get out of shared-cost programmes in education. We feel that vocational training best

belongs in the provincial system of education. We feel, most strongly, that we must exert our greatest influence, assistance, and knowledge in the training and re-training of people already a part of the work force, whether employed or unemployed. As a part of the work force, these people are of direct interest to the Government in terms of the economic health of the nation. Adult training is very different to that of school education because it can frequently be best carried out within industry, and Government must bear much of this cost. This is the responsibility we are now planning to assume. We propose to leave students to the provincial departments of education and to take a 100 percent financial responsibility for the adult now needing retraining or further training....

We are now working on the setting up of federal-provincial agreements required for the phase-out arrangements for capital grants and for research development, and we are looking to assist those people already enrolled in training programmes who will be caught between the old and new agreements....

REHABILITATION PROGRAMMES

Special efforts are being made to bring people who are not fully competitive due to a physical, social, or psychological handicap into a position where they are able to compete effectively for jobs. The Federal Government works closely with the provinces in the development of rehabilitation programmes financially assisted under federal-provincial agreements. We are broadening our concern in this programme beyond those who are physically handicapped to those who are socially or mentally handicapped, believing that these people can make a worthwhile contribution to economic growth and development and very greatly increase their social and psychological satisfaction from life.

MANPOWER MOBILITY ASSISTANCE

This programme was developed to ensure that no worker need be unemployed because jobs are not available in his home community. The programme was introduced in January of last year and applies to any unemployed worker or under-employed farmer unable to obtain steady employment in his own area. We consider the programme, though a year old, still in the experimental stage and open at any time to improvements. We are already making suggestions to further improve the programme. We propose firstly that the programme be changed so that those who get low wages for a given job in one area can receive benefits permitting them to move to other locations where they can get higher earnings for their talents. Further, the programme should be changed to help persons move from regions which have chronic seasonal unemployment to others where work is steady. We believe as well that the whole mobility scheme could be made more realistic by removing the four-month unemployment limit, and by making grants available to workers who are about to become unemployed through planned lay-offs in companies which are going out of business or cutting back on production.

IMPORTS AND EXPORTS UP

Commodity exports in November climbed 5.8 per cent, to \$978,500,000 from \$924,500,000 during the corresponding month of 1965, while imports rose 5.1 per cent to \$940,800,000 from \$895,300,000. This resulted in an export balance of \$37,700,000 during the month, an increase over the November 1965 export balance of \$29,200,000.

During the period January to November, exports advanced 17.1 per cent to \$9,350,600,000 in 1966 from \$7,947,300,000 during the preceding year, while imports, up 14.8 per cent, were valued at \$9,009,400,000 in the January-November 1966 period compared to \$7,846,600,000 during the same period of 1965. Canada's export balance during this period soared to \$341,200,000, from \$100,800,000 in the 1965 period.

UNITED STATES

In November, the United States continued as Canada's largest trading partner, purchasing goods valued at \$608,900,000, or 22.8 percent higher than the November 1965 total of \$495,700,000, and supplying commodities valued at \$663,800,000, or 9.3 percent higher than the November 1965 total of \$607,500,000. The import balance during the month was down to \$55,000,000 from \$111,900,000 in November 1965. During the 11-month period the United States bought goods valued at \$5,647,800,000, up 23.8 per cent over 1965's January-November value of \$4,568,300,000, and supplied commodities valued at \$6,495,000,000, 18.2 percent higher than the \$5,496,000,000 value reported in the previous year period. The import balance dropped to \$837,200,000 from \$927,700,000 in 1965.

BRITAIN

Purchases during November dropped 16.4 per cent, to \$90,100,000 from \$107,700,000 in the corresponding 1965 period, while sales to Canada rose 2.3 per cent, to \$63,300,000 from \$61,900,000. This reduced Canada's export balance from \$45,800,000 in November 1965 to \$26,700,000. During the cumulative period, British purchases dropped 4.9 per cent from \$1,085,300,000 in 1965 to \$1,032,500,000, while sales to Canada advanced 7.3 per cent to \$602,800,000 from \$562,000,000. The export balance during this period, at \$429,600,000, was below the corresponding 1965 export balance of \$523,300,000.

OTHER COMMONWEALTH COUNTRIES

In other Commonwealth and preferential-rate countries, export sales rose 14.8 per cent to \$49,200,000 from \$42,900,000, while imports declined 8.1 per cent to \$45,200,000 from \$49,200,000, resulting in a November export balance of \$4,000,000 against November 1965's import balance of \$6,300,000. During the cumulative period exports rose 7.8 per cent to \$505,100,000 from \$468,400,000, and imports 10.8 per cent to \$379,300,000 from \$342,400,000, resulting in an export trade balance of \$125,800,000, a decrease from 1965's corresponding export balance of \$126,000,000.

OTHER COUNTRIES

Exports to other countries plunged 17.2 per cent during the month to \$230,300,000 from \$278,300,000, while imports, at \$168,400,000, were down 4.7 per cent from \$176,700,000. Canada's export balance, at \$61,900,000, showed a sharp decline from the corresponding 1965 export balance of \$101,600,000. During the cumulative period exports hiked up 18.1 per cent to \$2,155,300,000 from \$1,825,300,000 in the 1965 period and imports rose 6.0 per cent to \$1,532,300,000 from \$1,446,200,000. The resulting export balance during this period, at \$623,000,000, was substantially higher than the total of \$379,100,000 in 1965.

FORESTRY RESEARCH GRANTS

A programme of operating grants for research at Canada's four forestry schools, involving in its first year of operation a total of \$160,000, was announced recently by the federal Minister of Forestry and Rural Development, Mr. Maurice Sauvé. Under the plan, the forestry faculties of the University of New Brunswick, Laval University, the University of Toronto, and the University of British Columbia will each receive \$40,000 in the 1967-68 fiscal year.

PURPOSE OF AWARDS

Mr. Sauvé said the research-grant programme was being undertaken to promote forestry research at the graduate level in conformity with the federal policy of strengthening the national research capacity. The grants would, he observed, enable more students to obtain graduate training, make more qualified personnel available to meet the future demands of forestry, and add to the fund of scientific knowledge related to forestry problems.

The grants will be used by the universities to increase the emphasis on graduate instruction and research in several disciplines, including forest fire, wood science, resource and forest economics, forest soils, ecology and tree physiology.

EXPO '67 LECTURES

An international forum at which distinguished speakers will discuss such subjects as "The Healthy Evolution of Capitalism in the Three Nations of North America" and "The Problem of the New Management Systems in Socialist Countries" will be held at the World Exhibition in Montreal.

The lecture series, to which some 5,000 Canadian businessmen are being invited, will be one of the principal functions of the Business Development Bureau of Expo '67.

The Maclean-Hunter Publishing Co. of Toronto will sponsor the forum, which will be held on the Expo site. More than 350 persons will be invited to each lecture.

TERRITORIAL GAS PURCHASE

Announcement of a contract involving the purchase of gas to be developed in the southern Yukon and Northwest Territories was welcomed recently by Mr. Arthur Laing, the Minister of Indian Affairs and Northern Development.

The contract resulted from negotiations between Westcoast Transmission Company Limited, Vancouver, and the Pan-American Petroleum Corporation of Calgary. "This contract is another sign that the confidence of Canadians in the tremendous potential of Canada's northland is justified," Mr. Laing said.

Gas to be purchased under the terms of the contract will be taken from reserves being developed by Pan-American Petroleum Corporation in the Beaver River-Pointed Mountain area, overlapping sectors of the Yukon, Northwest Territories and British Columbia. The contract calls for purchase by Westcoast of up to 200 million cubic feet of gas daily, and will require the construction of a new \$15-million, 110-mile, 20-inch pipeline from Westcoast's present gas-processing plant at Fort Nelson, B.C., northwestward to Pan-American's gas reservoir in the Beaver River area.

UNTAPPED GAS SUSPECTED

Pointing to the gas discoveries in the area covered by the contract, Mr. Laing noted that an apparently substantial gas-pool had been discovered at the Pan-American Pointed Mountain P-53 wildcat well, located in the Northwest Territories near the Yukon border and 20 miles north of the Territory border. "I anticipate that other geologic structures in the immediate area will, when tested, prove to contain additional large gas reservoirs," the Minister said.

He pointed out that his Department's territorial oil and gas regulations and policies were designed to encourage the sort of development results contained in the contract announcement. "They have been both lenient and flexible to encourage extensive land acquisitions and exploration activities," he said. He was hopeful that the gas-purchase agreement would induce those oil companies holding territorial land in the Beaver River-Pointed Mountain area to step-up exploration programmes currently under way and scheduled for next winter.

VISITOR CENTRE FOR ST. JOHN'S

The Federal Government has awarded a \$266,910 contract for the construction of a Visitor Centre on the historic hill overlooking St. John's, Newfoundland.

The Centre will be the initial step towards making Signal Hill one of the outstanding national historic parks of Canada. Its design adapts contemporary lines to the requirements of the rugged sea-coast location.

The stone and reinforced-concrete structure will be a few hundred feet from Cabot Tower, site of the historic Marconi transatlantic radio experiments. The park, which overlooks the harbour of St. John's, preserves and commemorates a long history that

dates back beyond 1790. The Visitor Centre will give the federal National and Historic Parks Branch the opportunity to acquaint visitors through word, picture and exhibit with the full potential of the historic heritage involved.

Mr. Laing's Department hopes to have the Centre fully operational by the latter half of the 1968 tourist season.

OLIVIER AT EXPO '67

Three of the greatest hits of the London stage will be seen in Montreal this year when the National Theatre of Great Britain appears from October 18 to 28 at the Expo '67 World Festival of Entertainment.

The company's celebrated production of *Othello* will open the 11-day engagement in the new 1,300-seat Théâtre Maisonneuve at the Place des Arts, with Sir Laurence Olivier in the role of the Moor of Venice - probably the most widely-discussed stage performance of recent years. The production will be repeated on October 20, 24 and 26, and will not be seen elsewhere during the company's tour of Canada, its first visit to North America.

Love for Love, the Restoration comedy by William Congreve, will be performed on October 19, 22, 25 and 28. On October 21 and 27, the company will present Georges Feydeau's farce, *A Flea in Her Ear* - a production that was hailed as the big success of the 1966 London theatre season.

TRADE FAIR SCHEDULE

Trade and Commerce Minister Winters recently announced a programme that would introduce Canadian products at 67 international trade fairs and expositions in 12 countries on five continents. The 1967-68 trade fair programme would, he said, lay increased emphasis on the development of markets in Eastern Europe, France and Latin America.

The programme period, which will extend to June 1968, will include fairs in Britain, Czechoslovakia, France, Japan, the Netherlands, Peru, Poland, South Africa, Spain, Switzerland, the United States, West Germany and Yugoslavia.

MATCHING THE MAN TO THE JOB

(Continued from P. 3)

This programme is by no means completely effective when you consider that we expected to spend some \$3.5 million on mobility in the first ten months of operation of the programme, but succeeded in putting out only \$900,000. This indicates a need for governmental authorities to persuade people to take advantage of mobility benefits. The adequate

mobility of manpower is of great importance in the effective utilization of manpower resources.

AREA INDUSTRIAL DEVELOPMENT

The Mobility Programme and the Area Development Programme are complementary. Not only must we move workers to jobs, but also we must sometimes move jobs to workers. Substantial grants are available to industries which move into any of 65 specially designated areas of low income and high unemployment. By moving an industry into an area, jobs are brought to workers, the standard of living is improved, and new prospects are created for many of these depressed areas. Since 1963, ten areas have recovered their economic vigour sufficiently to be removed from the programme. Another measure of the success of this programme is that, since December 1963, some 39,000 jobs have been created by the movement of industry into these areas.

SEASONAL EMPLOYMENT

Canada, being a country of low unemployment in the summer and high unemployment in the winter, our stabilization programmes are intended to provide a more efficient year-round utilization of our manpower resources, particularly in the construction industry. Financial incentives are provided municipalities to assist in the construction of projects undertaken during the winter months. We endeavour to promote the building of homes, home renovations, and other activities through a large-scale publicity programme, and we believe that this publicity has been instrumental in the shifting of an estimated 260,000 jobs from the summer to the winter months.

These programmes which I have mentioned provide the means of implementing an active manpower policy. Through these, counsellors can counsel and refer persons to training programmes, provide financial assistance to move a worker to another locality where employment is available, advise an employer on training programmes and the availability of graduates from them, and arrange for securing adequate workers from other countries through our Immigration Division....

EDUCATION STUDY

A preliminary study of the relative importance of formal and informal education and training and

experience has been made and is to be extended during this coming summer. A study of the geographical migration experience of a group of engineers and scientists during a ten-year period is complete and will be published shortly, and a study of migration between Canada and the United States was published last September. An investigation is being carried out of the factors determining the career decisions of Canadian high-school students begun by the Department of Labour in 1965.

I would like to place particular emphasis on one project which we regard as the first serious attempt at basic educational and skill development in areas of slow economic growth. We are aware that many people in slow-growing areas cannot benefit from the creation of jobs unless they are motivated and trained for these jobs. And yet little is known about how adults in such circumstances may best be motivated to enter and persist in employment or in any training or retraining to qualify them for employment. Further, there is still much to be learned about the special techniques and processes to be used in this motivation.

To meet these problems, the Federal Government announced the inauguration of a new pilot training programme directed at areas of slow economic growth and, in turn, the Department of Manpower and Immigration has established a Pilot Projects Branch to initiate and co-ordinate the programme.

Many people in areas of slow growth have attended schools which were hampered by lack of staff and facilities. Many lack the skills, attitudes, and orientation required for full participation in Canada's changing economy. It is apparent that methods must be developed to provide these adults with basic education so that they may benefit from subsequent skill training. In addition, many people in slow-growth areas have suffered from unsatisfactory social and personal adaptation to school and to work values and patterns. An experimental programme of this nature requires that each pilot training project have considerable autonomy to ensure flexibility and creativity to develop new methods....

Parts of this programme are already under way with an attempt to develop methods of identifying the relevant characteristics of potential trainees and the demands that jobs would make of them if they were trained....

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