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POST-WAR TRENDS IN LABOUR-MANAGEMENT RELATIONS

Text of an address delivered by the Minister of Labour, Mr. Milton F. Gregg, to the Canadian Chamber of Commerce, Hamilton, Ont.

It is fashionable, these days, for speakers to talk about the tremendous expansion taking place in Canada today. It is fashionable to talk in glowing terms on our prospects for the future.

We Canadians are not an excitable people, and not prone to throw caution to the winds. It is not our nature to become over-confident and over-expansive. For these reasons, it is perhaps safe for us to listen to a certain amount of enthusiastic comment and even flattery about our nation.

Nevertheless, the theme of Canada's industrial greatness may perhaps be getting overworked, and I hasten to assure you that all I intend to do tonight is to make merely passing reference to it.

This is necessary, since it would be unrealistic for me to discuss labour-management relations in the post-war period as something separate from the general economic position of our country. Labour-management relations are intimately tied in with economic conditions.

The first point I would make tonight is that labour-management relations in the post-war period have developed almost entirely under very favourable economic circumstances. Pronounced gains in working and living conditions have been possible and have come to be taken as a matter of course.

Thus the initial reaction of most Canadians to the evolving collective bargaining experiences has been favourable. It is in broader terms, however, that the success of these experiences must be judged.

Collective bargaining is a focal point for three sets of needs: first, labour's natural desire to work under favourable conditions and to achieve a better standard of living; second, the employer's need to conduct his business efficiently, and in keeping with the economic realities of the industry in which he is engaged; and, third, the over-all interests of the Canadian people, which include the need to maintain uninterrupted production to enable a steady flow of goods and services, - the need to develop our resources in keeping with our aspirations as a nation, and the need to be strong at home, and to be able to play our role effectively on the international scene.

Let us examine the developments of the post-war years in terms of these three broad criteria. In so doing, we might keep in mind that Canadian experience with large-scale collective bargaining is still relatively brief.

The rise of trade unionism in Canada has been as recent as the rise in industrialization. At the start of the century, we had only a few thousand union members. Even up to the Second World War, labour organization in Canada was largely confined to the railroads, the coal mines, and the construction trades.

During the late 'thirties and the war years, however, unions made rapid progress in the manufacturing industries, and began to attain the influential position in our economic life they hold today. Government wartime labour relations regulations, as I shall indicate later, had an important bearing on industrial relations at this time and during the postwar period.

Effective labour representation, as measured in the number of workmen bargaining, had begun to reach significant proportions by 1945. Already union membership had reached 700,000 or double the number at the beginning of the war.

The number of collective agreements had increased several times over the pre-war level. But the total number of workers under these agreements still fell far short of the million and a quarter figure which has now been reached.

Faced with this new situation in 1945, the existence of more powerful labour unions, Canadian businessmen also had other matters to think about in readjusting production to meet peacetime needs. In some cases, there had to be sharp contraction of wartime programmes, while in others it meant expansion to meet quickly a large backlog of consumer demand.

It is hardly surprising that the earliest post-war years were not noteworthy for peaceful industrial relations. On the one hand, labour unions, some of which were ready to test their newly-gained strength, were feeling the effects of higher living costs without a corresponding increase in wages; while on the other hand management was still uncertain about what the post-war world held in store.

Since then, we have had an interesting half dozen years during which, in the midst of two industrial re-orientations labour and management have been learning how to work and live with one another.

Today, few sections of Canadian industry are without some form of collective bargaining. Agriculture, trade, finance and service are the only industrial groups without a fairly large percentage of their paid workers under agreement.

The experience in other industries is by no means universal but, with more than one in three paid workers from all industry under agreement, our economy is heavily influenced by decisions made in collective bargaining.

As I suggested earlier, collective bargaining must be regarded from three points of view, as it affects labour, management and the public.

Let us look at some of the trends in working conditions which illustrate the benefits that have accrued to labour partly from collective bargaining.

After World War II, and almost to the present time, with rising prices, we have been confronted with serious problems of wage adjustments. Workers have talked in terms of standards of living; management has worried over market prices - both with good reason. But compromises have been forthcoming which have pushed earnings to unprecedented levels. Since 1945, the annual average of weekly earnings has increased by over 75 per cent. Even if allowance is made for changes in consumer prices over the period, weekly earnings on the average in 1953 have a purchasing power that is more than 13 per cent above 1945 levels. During the same period, I might add, total corporation profits in Canada have increased substantially.

Important decisions have also been taken on non-wage items, for example hours of work. The length of the work week has been reduced for most workers during the post-war decade, an intensification of the trend begun before the war.

The five-day, 40-hour week has become the standard work week in many industries. While it was not common before the war, this arrangement did exist in some sections of industry, particularly in parts of the building trades. For example, the collective agreements of plumbers with contractors here in parts of western Ontario indicated a five-day week as early as 1932.

The average length of the normal work week in manufacturing has declined by more than two hours since the close of the war. Approximately 75 per cent of the plant workers in manufacturing in 1952 worked a five-day week as compared with about 50 per cent in 1947.

Over-all vacation policies have also become more liberal. Other so-called "fringe" benefits have been given increasingly wider application in recent years. Time and a half for overtime is now given to almost all manufacturing workers and double or even triple time is given in some cases, particularly for work performed on statutory holidays. An increasing number of holidays are being allowed with pay; in manufacturing at the present time close to half the workers receive at least eight paid statutory holidays. Pension plans now cover more than half of the workers in manufacturing and about 84 per cent are in plants where some type of medical or health insurance plan is now in operation.

These material gains attained through collective bargaining and otherwise have been important to the Canadian standard of living. I should like to call attention, however, to other consequences of bargaining for the Canadian worker. For example, it is fairly easy to measure the extent of the five-day week, but the value of collective bargaining in terms of, say, the attitude of the worker to his job is a little more difficult to measure. It should, however, never escape our notice. For the man on the job, the right to bargain and the existence of the collective agreement clearly establishing his status with respect to hours of work, wages, grievance procedures, seniority and many other items have important psychological benefits.

I think that many persons in management are now of the view that these psychological considerations have a rich potential value to management as well as to labour. Personnel officers are keenly interested in human relations and in the factors that make for satisfaction on the job, and hence for good production.

Surely one of these factors is the self-confidence arising from the worker's knowledge of where he stands - of the privileges and responsibilities stipulated in his union contract, of his seniority standing, his prospects for advancement, and his right to have grievances given due consideration.

The public hears much of the conflicts that arise in union-management relations. Certainly, these conflicts exist. But how easy it is to over-emphasize their importance. Long before there were unions, labour and management were disagreeing over wages and working conditions. Management had grievances to deal with before the advent of the shop steward.

The really significant thing about labour-management relations, since the arrival of collective bargaining, it seems to me, is the development of orderly procedures for dealing with problems.

Certainly the union member of today may put forward more grievances than did his non-union predecessor. But this is largely because grievances - some of which may have existed for a long time - are now being brought to light and dealt with. And today the collective agreement means much in codifying the policy on which management must make its decisions on individual cases and explain its policy.

The collective agreement sets forth certain rules of conduct by which both parties are committed to abide as long as the contract is in force. At regular intervals - usually once a year - these rules are re-examined, both parties indicate the changes they believe should be made, and the contract is renegotiated.

This system means much in enabling management to give the fullest possible consideration to individual needs, even while dealing with a large labour force. Obviously, it requires not only good will but also plain hard work from both labour and management to make it operate effectively.

Certainly it can be misused. Undoubtedly there are a number of employers and a number of unions who have done less than their best to make collective bargaining work as an effective means of serving the interests of both parties -- not to mention the important third party, the public.

The experience of the post-war years, however, has been that the parties are showing an increasing awareness that, since they have to live together, ways and means can be found to make life tolerable for both.

An observer of the contemporary labour relations scene cannot help but be struck by two healthy developments. First, the advances in working conditions represent continuing results of joint decisions by management and labour. No dictatorial decision has shaped the trends but they have grown out of the meeting of the different points of view that are brought to bear on mutual problems.

The second encouraging result to be seen in the trend of settlements is the breadth of social consciousness reflected in them. Problems such as those of standards of living, leisure time, old age and the workers' security on the job are all reflected in the bargaining of the past decade.

We can only guess at the total benefit these changes have had for industry and for Canada. There is no doubt that the worker does, under present-day conditions, feel a good deal of freedom and security on the job.

Some observers are concerned with this development; they have expressed foreboding over the future reactions of what they refer to as self-satisfied workers. On the other hand, there are others who are enthusiastic about the prospects for greater production.

What has been the result so far, in this post-war period, of all these changes upon Canada's productivity? Well, during the period our GNP has more than doubled.

Conceivably, either reaction could follow our present ways of handling industrial relations, but society in general appears to favour an optimistic view of the benefits. There is little doubt that our concept of just what degree of security should be available for the worker and, in fact, the public in general has changed and we favour giving the worker some peace of mind as a means of increasing his contribution to society.

Regardless of what your views and mine may be, however, it is in collective bargaining that the answers to this and other such problems are today being thrashed out. Obviously, such problems have important implications for the country generally.

It is noteworthy that society as a group does not always make its presence effectively known at the bargaining table. However, it is my firm view that by and large labour and management are using collective bargaining to achieve sane and fair solutions to problems in which the public interest is concerned.

By and large, also, they are serving the public interest by settling their disputes without interruption to production. Labour and management have, in fact, an impressive record for settling their own bargaining.

Approximately 7,000 collective agreements are now in effect in various sections of Canadian industry. Most of these are negotiated annually without reference to Government conciliation machinery, either federal or provincial.

In the year 1952, only about 2,100 cases of negotiations went to conciliation. Of this number, almost 1,400 cases were settled with the help of conciliation officers and, of the 718 remaining cases, only 69 eventually ended in a strike. It is of course, the 69 cases that we hear most about - these and the occasional "wildcat" or unofficial work stoppage - rather than the thousands of peacefully negotiated agreements.

This commendable record of Canadian labour and management in settling their own disputes leaves in their hands many decisions of importance to society generally.

Now, what has the Federal Department of Labour done and what can it do to assist labour and management in making these sometimes difficult decisions?

At its very beginning, the Department was instructed by Parliament to do two main things: to provide conciliation services and to supply information on labour questions.

It is through our conciliation work, of course, that we find ourselves most in the public eye. Essentially, however, our procedures boil down to one purpose: to make sure that labour and management talk things out fully before either one takes any participate action; the idea is as simple as that.

We have found that, as collective bargaining has grown in stature, the demands on us for factual information on wages, hours and other employment conditions have increased. Circulation of our publications is at an all-time high. I refer to paid circulation! Furthermore, we handle a host of enquiries from day to day, supplying the information needed by labour and management in their negotiations.

We have considered our duty to be to assist the two parties to work together in such a manner that industry will function to the greatest advantage of all the people in Canada.

Our labour legislation was generally accepted by labour and management groups and the public. Its existence reflects the prevalent view that it is beneficial in the long run to have legislative authority for the orderly settlement of industrial disputes and to give workers the right to select their own bargaining agents.

We believe the legislation has helped to strike an impartial balance between labour and management, and that it is making some contribution to sound industrial relations.

The ideal labour-management relationship certainly is not one of complete and perpetual agreement. There will always be differences in view-points, and these must be recognized and discussed. But, they cannot be discussed with any degree of satisfaction unless both sides feel secure in their relationship, and each feels it is dealing with a party that will adhere to the agreement when it is reached. Mutual respect and mutual confidence must exist here.

There is evidence that progress is being made in this direction.

On the one hand, we have seen management taking a greatly increased interest in techniques of dealing with its employees - through the collective agreement and through study of human relations.

On the other hand, we have seen unions, as they acquired experience and a feeling of security give increasing recognition to the problems of the economy as a whole, the problems of their industry and of their employer, as well as their own.

This is taking time, just as it has taken time for other groups to appreciate the needs of the country as a whole.

Where unions have so developed and where they encounter a responsible attitude from employers, it becomes possible to talk constructively about labour-management co-operation.

More important still, we are able to talk of labour, management and government co-operation for the benefit of the entire economy.

This presents a constructive alternative to the doctrines of early revolutionists. Whereas they envisaged constant conflict, we see as the very basis of our society the ability of the representatives of various sections in our community to gather for constructive discussion.

The free and frank discussions, carried on in an organized way, which we know today as collective bargaining, are important expressions of our democratic way of life.

This readiness of all groups in the country to consider the interests of each other for the sake of the nation as a whole is helping us to make a more unified effort to increase productivity and thus continue to improve our standard of living. This, to me, is a very encouraging sign since it is only possible for us to increase on a continuous basis our living standards here and in other countries if we are able to realize continuing improvements in productivity.

Relations between labour and management play a vital role in this setting. There is evidence that managements are presenting proposals more frequently to union negotiators than was the practice a few years ago. This in itself can have an important bearing on productivity. Through being less content to take a defensive position employers are making a more positive approach to collective bargaining by using it to secure guarantees that certain standards will be met. In other words, we are actually seeing bargaining in the true and rounded sense of the word on the increase. More than in the early days of collective bargaining, we can be assured of the viewpoints of management as well as those of labour playing an important role in the final decisions that affect the welfare not only of themselves but of society as a whole.

In conclusion, many of the important economic decisions in present-day society are being made through this more positive approach to collective bargaining.

As a democratic institution bringing into the final policy-making decision the views of labour, management and of the public, it holds much promise for the future. And it promises to be a great future for Canada if in our industrial and in all our relations we can all make a fuller application of the principle of the Golden Rule.

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