

# ***THE FORMATION OF THE CANADIAN INDUSTRIAL RELATIONS SYSTEM DURING WORLD WAR TWO***

**Laurel Sefton MacDowell**  
**University of Toronto**

## **I**

The war years were a period of antagonistic labour-government relations and serious industrial unrest, which labour attributed to wage controls, the failure of the government to consult on policies which directly affected employees, and the inadequacy of the existing collective bargaining legislation. As a result, trade unions organized aggressively in the new war industries, struck with increasing frequency, and eventually became involved in direct political activity. At the centre of this conflict was the demand for collective bargaining. Collective bargaining was not just a means of raising wages and improving working conditions. It was a demand by organized workers for a new status, and the right to participate in decision making both in industry and government. Thus, it became an issue not only on the shop floor where employers and unions met directly, but also in the political arena.<sup>1</sup> Eventually this demand for a new status in society, was met by the introduction of a new legislative framework for collective bargaining which has been modified only slightly since that time. Yet in order to appreciate the evolution of this policy it is insufficient to consider simply the political debate or the crises which precipitated the change. Even the important strikes which crystallized labour's discontent and prompted specific concessions, took place within the special context of the war economy and a general realignment of industrial and political forces. Over a period of years, the economic tensions associated with the war generated pressures for reform which could not be contained.

<sup>1</sup> Selig Perlman quoted in E. W. Bakke, C. Kerr and C. Anrod, eds., *Unions, Management & the Public* (New York 1967), p. 47.

The most dramatic change in these years was the growth of the labour movement itself. At the outbreak of the war, there were only 359,000 organized workers. During the war union membership more than doubled, so that by 1946 there were 832,000 organized employees engaged in collective bargaining.<sup>2</sup> In 1939 there were still 900,000 registered unemployed in a work force of approximately 3.9 million, but this labour surplus was quickly absorbed, and soon there was a labour shortage.<sup>3</sup> These conditions were very favourable for trade union organizing.

The new industrial unions expanded with the industries from which they drew their support. The labour market conditions also produced higher wages, rising expectations and demands for better working conditions. Wartime wages were high by Depression standards, although in 1941 most industrial workers were still not earning an adequate wage, as defined by welfare agencies of the day.<sup>4</sup> Paradoxically, those industries with the highest and most rapidly increasing wage rates were also the industries being unionized most quickly. Wages were rising but apparently not as quickly as the expectations of workers, who were reacting to the tight labour market, the rising cost of living, and their experiences during the Depression. They were determined not to return to their situation in the 1930s. Some of the older workers remembered the extent to which real wages were undermined during World War I.<sup>5</sup> These insecurities prompted workers to join unions, even at a time when wages were strictly controlled, so that there was no guarantee of any immediate economic benefit. After the proclamation of the wage control policy in 1940, most wartime wage increases were not increases in the basic wage rates but in cost of living bonuses. Workers feared that even these wage gains would be rescinded at the end of the war.

This increased organizational activity met with considerable employer resistance and resulted in unprecedented levels of industrial conflict. Until the government passed legislation supporting collective bargaining in 1944 there was a continuous increase in the number of strikes, workers involved, and man-days lost. The peak of industrial unrest was reached in 1943. In 1943 one out of every three trade union members was involved in strike activity, a level of membership involvement exceeded only in 1919 and then only marginally. Indeed, to the extent that membership involvement in industrial conflict is a measure of employee disaffection, 1919 is the only year

<sup>2</sup> *Labour Organizations in Canada* (Ottawa 1949), p. 15.

<sup>3</sup> Ruth Pierson, "Women's Emancipation & the Recruitment of Women into the Labour Force in World War II," in S.M. Trofimenkoff and A. Prentice, eds., *The Neglected Majority* (Toronto 1977), p. 126.

<sup>4</sup> Charles Lipton, *The Trade Union Movement in Canada 1827-1959* (Montreal 1968), p. 267.

<sup>5</sup> This was a factor among older workers in the Kirkland Lake strike; *Sudbury Star*, 3 March 1942.

with which 1943 can be compared.<sup>6</sup>

The growth of trade unionism during the war involved structural changes in the movement itself which had both organizational and political ramifications. Traditionally, the most effective unions had been organized on a craft basis. These craft skills could not be easily acquired so that by controlling the supply of labour and eliminating competition between tradesmen, the trade union could enhance its bargaining power and guarantee both employer recognition and collective bargaining. Its effectiveness depended upon its ability to define and protect their "job territory" against the encroachments of other craftsmen, mechanical innovations or less skilled employees who were hired in order to reduce labour costs (and who subsequently provided the organizational base for the industrial unions). The principles of craft exclusivity within carefully defined work jurisdictions had been the basis for the successful early organization and expansion of trade unionism, and had ensured the survival of craft unions when broader based industrial organizations had failed.<sup>7</sup> Moreover, the jurisdiction of each union was defined by the trade unions themselves and jurisdictional disputes were resolved by their central organization, the AFL-TLC.

In contrast the industrial unions proposed organization on an industry wide basis, without regard to an employee's skills. Bargaining power was based on numbers not on a monopoly of available skills. This fundamental difference in outlook made interunion rivalry inevitable, and made the craft unions cautious about the legislative changes which the new unions proposed. Legislation such as the American "Wagner Act" which gave a government agency the authority to define the jurisdiction in which unions could organize was as great a challenge as industrial unionism itself. It implied that an unskilled majority might "swamp" the less numerous craft employees. This conflict ultimately resulted in the expulsion from the TLC of the industrial unions affiliated to the American CIO,<sup>8</sup> but it was also evident in the legislative program of the TLC in the years immediately prior to the war.

By 1939 there were 22,000 members in the TLC who belonged to the CIO international industrial unions.<sup>9</sup> The industrial unions pressured the

<sup>6</sup> In 1946, which is often considered a peak year of industrial unrest in Canada, only one trade union member in six was involved in strike activity. The most recent comparable example of membership participation in strike activity was in 1976 on account of the political "National Day of Protest" against wage controls. See *Strikes & Lockouts in Canada* (Ottawa 1977).

<sup>7</sup> For example the Knights of Labor and the One Big Union.

<sup>8</sup> Canadian labour historians have emphasized AFL pressure on the TLC expulsion. Certainly this was a factor but the fundamental disagreements within the TLC prior to 1939 were important. Note Charles Lipton, *Trade Union Movement*, pp. 261-4, and Irving Abella, *Nationalism, Communism and Canadian Labour* (Toronto 1973), ch. 2.

<sup>9</sup> William Arnold Martin, "A Study of Legislation Designed to Foster Industrial Peace

Congress to support legislation patterned after the American Wagner Act. The Congress responded by drafting a "model bill" in 1937 and presenting it to provincial governments. This bill was sharply criticized at two successive Congress conventions<sup>10</sup> because it did not compel employers to bargain with unions with majority support, did not prohibit "company unions", and did not include machinery to determine the exclusive bargaining agent when jurisdictional disputes arose between unions. The new unions, which lacked the economic strength to establish collective bargaining relationships, required government intervention to protect their organizations. The craft unions, which were strong and entrenched, did not need government intervention to gain recognition from employers, and were wary of the increased role of government implicit in the "Wagner" principles. Later in the war craft unions would unite with industrial unions in support of this legislative demand, but not until the craft unions had embarked on a more dynamic organizing policy and had begun to broaden their own organizational base.<sup>11</sup>

The conversion of the economy to a war footing required unprecedented government intervention and regulation of economic life. New policies administered through the National Selective Service (NSS) restricted workers' freedom in the labour market, since a worker could be frozen in his job, transferred, or placed in a military training plan.<sup>12</sup> This system was intended to distribute manpower more efficiently and increase production, but the essence of all these policies was to regard labour as a factor in production which could be regulated by legislative and administrative fiat.<sup>13</sup>

The regulation of wages and working conditions by the political authority inevitably brought trade unions into politics, and increased labour's criticism of the lack of labour representation on government policy making bodies. Labour resented the anti-labour attitudes of many of the "new men" drawn from business into C.D. Howe's Department of Munitions and Supply. Labour developed a deep distrust of the personnel entrusted with administering government policy, since unionists remained outside the formal power structure. Business influence in the government and society was much greater, and that influence was reflected in the government's wartime labour policy.

The common effort industrial workers were making to wage war, their common insecurity with regard to wages and the status of their unions, their common resentment about their lack of influence on the government, and the

---

in the Common Law Jurisdiction of Canada," unpublished Ph.D. thesis, University of Toronto, 1954, p. 291.

<sup>10</sup> *Ibid.*, pp. 299-302.

<sup>11</sup> *TLC Convention Proceedings* (Ottawa 1942).

<sup>12</sup> *Labour Gazette* (Ottawa 1943), p. 1613.

<sup>13</sup> "The pressures of taxation, controls and restrictions were beginning to get ordinary men and women down, . . . In 1941 for the first time the war began to hit home" in J.L. Granatstein, *Canada's War* (Toronto 1975), p. 159.

inequities of the wage control policy, led to trade union organization, industrial unrest, and ultimately political opposition. Labour's increasing resentment of the government's wage and collective bargaining policies caused the "labour problem" to escalate during 1941 and 1942, and to reach explosive proportions by 1943. In Canada, all were being asked to make a contribution and sacrifice as equals in a war effort for democracy, but this only heightened the dissatisfaction with "industrial autocracy". As "equal" participants in the war effort, industrial workers wanted equal rights on the job, in the economy, and in the councils of the nation. Strong unions were their vehicle to acquire those rights.

## II

In 1939, when the War Measures Act made the federal government preeminent in labour matters, the government had no positive collective bargaining policy. At a time when thousands of employees were joining unions, there was no legislative support for their endeavour, nor protection should their employer take reprisals. Section 502A of the Criminal Code made it an indictable offence for an employer to refuse to employ or dismiss or intimidate any person for "the sole reason" that he was a member of a union; however, the wording of the section and the burden of proof made it virtually impossible to secure a conviction. Even if an employer were found guilty, he could be penalized but there was no remedy (such as reinstatement) for the employee.

The Industrial Disputes Investigation Act (IDI Act) was extended by a 1939 order-in-council to cover 85 per cent of all industrial activity; but it did not contain any provisions for union recognition, and was primarily concerned with avoiding strikes through the process of compulsory conciliation which was a necessary precondition for a lawful strike. Conciliation implied a built in compulsory delay that was particularly troublesome in recognition disputes where time was of the essence. Timing of strike activity was crucial and delay could interrupt the union's organizational momentum as well as give the employer the opportunity to relocate production, recruit strikebreakers, and promote management controlled "employees' committees" to compete for the loyalty of the workforce and to hinder the development of independent unions. The application of the IDI Act therefore handicapped trade union organization. Moreover the IDI Act took no account of the different types of industrial dispute. Disputes concerning union recognition and collective bargaining required different treatment from those primarily about wages and working conditions. The act proved "unsuited to deal with disputes arising out of the refusal of the employer to recognize and deal with trade unions."<sup>14</sup> Such disputes increased throughout the war but because they involved the very existence of the union, and the legitimacy of its activities, they were not amenable to mediation and compromise. The very existence of

<sup>14</sup> J.L. Cohen. *Collective Bargaining in Canada* (Toronto 1941), p. 26.

one of the parties was not an issue for which there was a "middle ground". The result was that the IDI Act merely contributed to delay, and this inevitably benefited management, and undermined trade union activity.<sup>15</sup>

Despite its expressed concern about delay, the government created two further mechanisms which exacerbated the problem: the Industrial Disputes Inquiry Commission and compulsory strike votes. The former was supposed to provide a speedy pre-conciliation factfinding procedure, while the latter was apparently based on the belief that the union leadership was fomenting discontent and that if the rank and file were permitted to express their views they would exercise restraint.<sup>16</sup> In fact, neither mechanism was successful and such restrictions merely contributed to labour discontent.

In order to deal directly with the increasing number of disputes where employers refused to bargain collectively, the government could have enacted legislation similar to that which was in force in the United States. Between 1937 and 1939, the provinces had enacted legislation providing for some recognition for trade unions and collective bargaining but such laws were unenforced and therefore ineffective.<sup>17</sup> At the beginning of the war, however, the federal government had no intention of enacting a Canadian "Wagner Act". Instead, in June 1940, the government was persuaded to proclaim order-in-council P.C.2685: a declaration of principles which the government hoped labour and management would adopt. The government wanted to prevent industrial unrest which might prejudice the war effort. The order was an effort to furnish a voluntary formula for the resolution of recognition disputes. It encouraged employers to voluntarily recognize unions, negotiate in good faith, and resolve disputes by means of the conciliation machinery. The government sought to maintain a position on collective bargaining which it alleged to be "neutral". By its statutory silence it implied that the contest between labour and management was essentially a private matter. It ignored the fact that a legal system under which the government played a "neutral" role had the effect of tipping the balance of bargaining power in favour of employers.<sup>18</sup> As J.L. Cohen, a prominent labour lawyer of the day, wrote:

It (P.C.2685) ignores the essential fact that in the main, employees are not free either to organize or to negotiate and that no legislative protection, whether the right to organize or to negotiate is furnished by the order in council, by Section 502A of the Criminal Code or by any of the provisions of the IDI Act.<sup>19</sup>

This unenforced "declaration of principles" became the focus of much

<sup>15</sup> The Kirkland Lake strike was an example of a union whose bargaining position was undermined by prolonged delays prior to the walkout.

<sup>16</sup> There was a close similarity between management and government views of "irresponsible" union leaders, by whom they usually meant CCL trade unionists.

<sup>17</sup> William Arnold Martin, "Industrial Peace", p. 292.

<sup>18</sup> Irving Bernstein, *The Turbulent Years* (Boston 1971), p. 78.

<sup>19</sup> J.L. Cohen, *Collective Bargaining in Canada* (Toronto 1941), p. 34.

bitter debate and contributed to labour's disaffection. In contrast to the wage control policy (P.C. 7440, enacted in December 1940) which was widely publicized and firmly enforced, these labour relations principles were ignored by employers and never followed by the government itself in industries under its own control. While the government was prepared to impose compulsory wage controls, compulsory conciliation, compulsory strike votes, and compulsory reallocation of labour, it continued to maintain that its opposition to "compulsion" precluded the introduction of collective bargaining legislation.<sup>20</sup>

Unions were particularly dissatisfied with the wage control policies. Early in the war, the labour movement had tentatively supported wage controls. After watching their application in specific situations, this support changed to opposition. In their view, the program was inequitable in its effect on industrial wages as compared to salaries, did not properly account for low wage industries, and was detrimental to collective bargaining. Despite the price controls, it appeared that business was being subsidized for its capital expenditures and was allowed to maintain a comfortable profit. Profits were not strictly controlled. Business had refused to accept a five per cent ceiling on profits, and the government did not impose one.<sup>21</sup> To many workers there appeared to be a marked discrepancy between the sacrifices which labour and business were asked to make.<sup>22</sup>

Closely related to these criticisms was the general concern that labour remained unrepresented in the policy-making apparatus of government, although workers were profoundly affected by these policies. Unlike the business community, which was virtually running the war production effort and reaping considerable benefits, the labour movement remained unrepresented and unheard, except when, through the exercise of industrial strength, a government economic objective was jeopardized. Because labour was excluded from the formal decision making process, its opposition to the government was expressed only on the industrial scene. In order to understand the basis for this opposition, it is necessary to examine the government role in several key strikes. Each involved an important element of the government's labour policy, and each contributed to labour's alienation. Eventually this alienation prompted the two major labour federations to adopt common legislative goals, to forge new political alliances, and to engage in overt political opposition.

The National Steel Car (NASCO) plant in Hamilton was originally organized in late 1940 by the Steelworkers' Organizing Committee (SWOC). When the company refused to meet, the union applied for a conciliation board

<sup>20</sup> This position was clearly stated by the Minister of Labour, Norman McLarty in a speech on 7 November 1941. See *Ottawa Morning Journal*, 7 November 1941.

<sup>21</sup> J.L. Cohen, *Collective Bargaining in Canada*, p. 47. See also J.L. Granatstein, *Canada's War*, pp. 185-186.

<sup>22</sup> *Canadian Unionist* (Montreal), September 1941, p. 87.

which was eventually established after a delay of five weeks. The Conciliation Board recommended that a plant-wide, government-supervised, representation vote be conducted, and if the union won, the employer should begin negotiations. The union accepted the report but heard nothing further for a month. On 29 April 1941 the membership unanimously voted to strike. Immediately the government became concerned about the possible disruption of war production, since it appeared that the steelworkers in Sault Ste. Marie and Trenton might strike in sympathy with the Hamilton workers. Its response was immediate. Within two days, the government appointed Ernest Brunning Controller of the plant, and assured the union that the Conciliation Board Report would be implemented. The representation vote was taken and the union won, but the Controller refused to meet. Significantly, he advised the Conciliation Board that he was pursuing this course of action in accordance with instructions that he had received from the government.<sup>23</sup> The absurdity of this situation was noted by the labour nominee on the conciliation board who wrote to the government:

There appears to me to be something incongruous in the suggestion that a government appointed Board should be required to inform a government appointed Controller that the principles and policy of an order-in-council (P.C.2685) enacted at the behest of the government appointing both the Board and the Controller should be observed and lived up to.<sup>24</sup>

When the conciliation board reconvened in June, Brunning advised that, "The matter of union recognition cannot be dealt with at the present time in view of the fact the plant is being operated by a controller appointed by the government."<sup>25</sup> He then called upon the employees to appoint "a representative committee" to meet with him and consider his proposals regarding hours and wages. These proposals were implemented a week later. This procedure was contrary to the principles of collective bargaining embodied in P.C.2685, but it was obvious that the government was not going to enforce its own order. In July, the union called a second strike. After mediation activities by officials of the Departments of Labour and Munitions and Supply, the strikers returned to work on the understanding that negotiations would finally begin. No negotiations took place, but the controller announced that the workers would be "free" to join any union or employees' association of their choice. He obviously preferred to deal with the association which he himself had established and encouraged in the summer of 1941. Shortly thereafter, the impasse was resolved by the appointment of a new controller who eventually negotiated collective agreements with both the union and the employee association. Despite the representation vote, the union had not achieved official recognition or the status of exclusive bargaining agent. The two

<sup>23</sup> Memo to Prime Minister from SWOC, Local 2352, 3 July 1941, vol. 38, CLC Papers, Public Archives of Canada (PAC).

<sup>24</sup> J.L. Cohen to Norman McLarty, 18 May 1941, vol. 38, CLC Papers, PAC.

<sup>25</sup> Memo to Prime Minister from SWOC Local 2352, 3 July 1941.



organizations in the plant vied with each other until the United Steelworkers of America was finally certified in September 1945. The conduct of the government and its appointee created considerable disillusionment within the trade union movement. Not only was the government unprepared to support union recognition or the principles of P.C.2685, it also had condoned the establishment of an employer dominated committee which had been used to undermine the existing union.

Concurrent with the NASCO dispute, the first major dispute concerning the application of the government's wage control policy arose at the Peck Rolling Mills plant in Montreal. Peck Rolling Mills was a wholly owned subsidiary of Dominion Steel and Coal Company (DOSCO). The Steelworkers' Organizing Committee had organized 93 per cent of the workforce and was granted recognition by the company on the recommendation of a Conciliation Board. The Conciliation Board also found that 50 per cent of the workers received less than 30.7 cents an hour. In addition to poor wages, the Peck employees worked long hours (50 to 80 hours) in substandard working conditions. The parties fundamentally disagreed on both the level of wages and the proper interpretation of P.C.7440, the wage control order. The minority and majority reports of the conciliation board reflected this disagreement.

The employer took a narrow view of the effect of the order. The adequacy of wage rates under the wage order was to be determined in relation to a "norm" which was either the average wage in the 1926-29 period or such higher rate as might have been attained after 1926. The employer submitted that since Peck wages in 1941 were above the 1926-29 average, they were therefore "fair and reasonable". This was not an exceptional case of depressed or sub-normal wage rates. The Peck wages were comparable to other industrial rates in the Montreal area. The majority of the Board concurred with this view, and decided that the most recent wage order freezing wages<sup>26</sup> precluded it from recommending a raise, even though it was recognized that the wages were inadequate. Accordingly, the Board recommended a continuance of the basic wage rate of 30.7 cents an hour and no cost of living bonus, except the 15 cents per day which had been paid from September 1940.<sup>27</sup> No national wage level had been established in the steel industry; wage scales were determined locally. Since the Peck rates were not "depressed" by Montreal standards, there was no justification under the order to raise them.<sup>28</sup>

The union supported a broader interpretation of the order and argued that the Peck employees' wages should be compared to wages of other workers across the country engaged in similar work. Since workers in the steel

<sup>26</sup> P.C.7440 was interpreted publicly in a narrow way by the Minister of Labour in his "Wartime Wages Policy" speech of 31 March 1941.

<sup>27</sup> Conciliation Board Report, vol. 38, CLC Papers, PAC.

<sup>28</sup> *Ibid.*

industry were heavily engaged in the national production effort, they should be paid equally for work of equal value. In its view the Peck wage rate was obviously "depressed and subnormal" and could be adjusted in accordance with the provisions of the order. The Minority Report adopted this argument and contended that the government's wage policy was aimed solely at preventing wages which were already reasonable from rising unduly; wages which were unreasonably low could still be raised. The order was not intended to freeze inadequate wages. There was nothing in the cost of living in Montreal or in the company's ability to pay which justified abnormally low wages in comparison with those paid to other workers in the same industry, especially since the majority interpretation would condemn workers to a low wage condition for the duration of the wage policy.<sup>29</sup> The minority recommended an increase of the basic rate to 40 cents an hour. The positions of the parties and the proceedings of the Board were closely monitored, for labour believed that the management interpretation was in conflict with government assurances which had been given to organized labour at the time the wage order was proclaimed.<sup>30</sup> Labour feared that the Peck case would become a precedent for other conciliation boards handling wage disputes, as indeed it did. In addition, SWOC was beginning to formulate its demands for a general basic wage increase throughout the steel industry across the country.

In April 1941, after the publication of the two reports and in spite of the wage controls, the Peck workers struck for 40 cents an hour. The government sought to persuade them to return to work without giving in to union demands.<sup>31</sup> Ultimately the Peck employees received an increase in their basic wage rate when the federal government, avoiding any direct reference to the dispute, increased the minimum wage for men to 35 cents an hour and for women to 25 cents an hour.<sup>32</sup> The employees returned to work and the dispute ended with the temporary collapse of the SWOC local.<sup>33</sup>

The inequities of the wage policy, the rigidity with which it was applied in the Peck dispute and the inconsistencies with which it was applied elsewhere,<sup>34</sup> increased labour alienation. To labour, it appeared that "its only real effect was to provide employers who wished to resist wage demands

<sup>29</sup> Minority Report, *Ibid.*

<sup>30</sup> The government's assurances were to the effect that the wage control policy would be administered flexibly to take account of factors in individual cases. Daniel Coates, "Organized Labor and Politics in Canada: The Development of a National Labor Code," unpublished PhD. thesis, Cornell University, 1973, p. 84.

<sup>31</sup> Memo on Peck Rolling Mills, 21 May 1941, William Lyon Mackenzie King Memoranda, vol. 310, King Papers, PAC.

<sup>32</sup> *Ibid.*

<sup>33</sup> Minority Report, vol. 38, CLC Papers, PAC.

<sup>34</sup> T. Copp, "The Impact of Wage and Price Controls on Workers in Montreal 1939-47," unpublished paper delivered at CHA Meetings, 1976, p. 5.

with an elaborate rationale."<sup>35</sup> Labour dissatisfaction with the wage policy mounted as did its hostility to the government which again appeared to be supporting the interests of employers. But it was the defeat of the Kirkland Lake Miners in the winter of 1942 which crystallized labour's discontent, unified the movement, and moved the CCL unions into a position of outright opposition to the government.

In Kirkland Lake the issues were very clear. Local 240 of the International Union of Mine Mill and Smelter Workers was seeking recognition from the gold mining operators. When recognition was refused, the union applied for a conciliation board. In Kirkland Lake, the government decided early not to appoint a controller. It was no more prepared to establish a collective bargaining relationship between a controller and the union than it had been at NASCO, but it was equally reluctant to risk the embarrassment which the NASCO dispute had involved. Instead, the government appointed the Industrial Disputes Inquiry Commission, chaired by Humphrey Mitchell, (soon to be the new Minister of Labour) to investigate the dispute before granting a conciliation board. The IDIC was intended only to be a "fact-finding body" and was not supposed to make proposals for settlement. Nevertheless it proposed "the Kirkland Lake Formula" as the basis for a settlement. This formula suggested that the miners should elect "employee" committees in lieu of a "union" committee to negotiate with the mining companies. Management agreed to negotiate with such "internal" bodies while at the same time opposing "unalterably"<sup>36</sup> the recognition of the Mine Mill local. The proposal for new employee committees was a challenge to the legitimacy of the existing union and was bitterly resented. Indeed, the proposal was reminiscent of that of Controller Brunning in the NASCO dispute, except now, it came directly from a senior government official.

The Conciliation Board was finally appointed and unanimously recommended recognition of the union. Its recommendations were ignored by management. Before it could legally strike, the union was obliged by P.C. 7307 to apply for a government supervised strike vote. Delay followed upon delay, until the strike was fought in the middle of a northern winter, and eventually lost. The union and the CCL recognized that the strike could be won only if the federal government intervened in support of the Conciliation Board Report. The only intervention that took place was by police constables who were ordered by the provincial government to assist the mining companies to operate with strikebreakers.<sup>37</sup> The federal government refused to intervene despite strenuous efforts on the part of CCL unions and some TLC locals, including public conferences in Kirkland Lake and Ottawa, and the establishment of a network of strike committees across the country. This position was

<sup>35</sup> *Ibid.*, p. 6.

<sup>36</sup> Conciliation Board Report, in *Canadian Unionist*, October 1941, pp. 108-109.

<sup>37</sup> Private Correspondence, 1942 Strikes — Kirkland Lake, Hepburn Papers, Archives of Ontario.

not mere procrastination but a conscious policy adopted by the Prime Minister and his Minister of Labour.<sup>38</sup> The government was unwilling to endorse the principle of compulsory recognition, even where the trade union enjoyed the support of a majority of the employees, and a conciliation board unanimously recommended recognition as the only way to avoid a strike. Although the government was exercising compulsion every day in order to meet its wartime economic objectives, it continued to oppose compulsory recognition and maintained its belief in the efficacy of employees' committees as an alternative to independent trade unions. In the circumstances, it is difficult to avoid the conclusion that it was not "compulsion" which the government opposed, but rather, collective bargaining itself. Apparently the government accepted the management view that collective bargaining legislation would encourage union growth and result in more unrest.

Unlike the "New Deal" labour policy of the 1930s, which sought to redress the imbalance of bargaining power and encourage collective bargaining the Canadian labour policy throughout the war was concerned only with eliminating industrial unrest. The government continued to believe that legislative recognition of collective bargaining would only promote an "adversary relationship", but since there were real differences of interest between labour and management, an adversary relationship and some degree of conflict was inevitable. Labour stressed that the recognition of its status in industry and the introduction of collective bargaining would eliminate recognition strikes, develop negotiating relationships, and thereby improve labour management relations. The government in 1942 did not agree. For political reasons, the government felt it necessary to conciliate business, its wartime ally in developing the war economy. It was therefore unprepared to establish collective bargaining as a "right" or grant labour an important role in running the war.<sup>39</sup> It was even unprepared to take the lead and set an example as a "good employer" by recognizing existing unions in its own war industries. Although it had a close working relationship with the business community, the government had no close relations with the industrial union movement. When the new union leaders openly questioned the government's good faith and asserted their members' rights even in the critical war situation, King dubbed them "irresponsible". King preferred the leaders of the TLC with whom he had more influence.

Refusal of the government to intervene resulted in the loss of the Kirkland Lake strike. The effects of the strike were several. The local union was temporarily decimated, but in the long run, the labour movement may have benefited. Many younger miners, experienced in trade union organizing, but blacklisted across the north, left to find work in southern Ontario. They invariably became active trade unionists in their new jobs and promoted trade

<sup>38</sup> Memo, Norman McLarty to William Lyon Mackenzie, 3 December 1941. King Primary Correspondence, vol. 310, PAC.

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

union organization in the expanding war industries. Several rose to leadership positions in the industrial union movement.<sup>40</sup>

H.A. Logan has suggested that the "Kirkland Lake strike marked the low point in industrial relations in the war. But from it began the march toward P.C.1003."<sup>41</sup> The strike unified the divided labour movement in a common political endeavour. In 1942 the briefs to the government of both the TLC and the CCL favoured positive collective bargaining legislation.<sup>42</sup> The CCL convention soundly condemned Humphrey Mitchell, the new Labour Minister, and demanded his removal from office. Both conventions demanded immediate enforcement of P.C.2685 particularly in the Crown corporations. King was shaken by his meetings with the delegations from the two Congresses<sup>43</sup> and by the level of opposition at TLC and CCL conventions. In response to labour pressure, he personally intervened<sup>44</sup> to proclaim P.C.10802. This order authorized Crown companies to bargain collectively with their employees. While it did not clearly make collective bargaining compulsory,<sup>45</sup> it made eventual legislative support of collective bargaining inevitable.<sup>46</sup> However, the delay in its implementation angered organized labour and contributed to its continuing opposition to government policies during 1943.<sup>47</sup> Any hope of accommodation was shattered by the government's handling of the 1943 steel strike.

The steel industry was crucial to war production. It was nationally mobilized and closely controlled, and as such it was an appropriate place to test the government's flexibility in the application of its wage policy. Steelworkers initially proposed wage increases to the Regional War Labour Boards which bore the primary responsibility for implementing the policy. Both

<sup>40</sup> Jim Russel, Joe Rankin, Jock Brodie and Bill Sefton became International Representatives on Staff of the United Steelworkers of America (USWA). Eamon Park, who worked on publicity during the strike, became an International Representative and subsequently Assistant to the National Director in Canada of the USWA. Larry Sefton, the young Recording Secretary of Local 240, went on staff as an International Representative of the Steelworkers and in 1953 was elected as Director of District 6 of that union. He later became a member of the International Executive Board of the Steelworkers' union and a Vice President of the Canadian Labour Congress. Bob Carlin, Local 240's Financial Secretary became the Canadian Representative for District 8 on the International Board of the International Union of Mine Mill and Smelter Workers (IUMMSW) in 1942. In 1943, he was elected to the Ontario Legislature as the CCF Member from Sudbury. William Simpson, President, Local 240, became a Staff Representative for the IUMMSW.

<sup>41</sup> H.A. Logan, *Trade Unions in Canada* (Toronto 1948), p. 547.

<sup>42</sup> Daniel Coates, "Organized Labour", pp. 102-106.

<sup>43</sup> *Ibid.*, p. 106.

<sup>44</sup> *Ibid.*, p. 105.

<sup>45</sup> Bora Laskin, "Recent Labour Legislation in Canada", *Canadian Bar Review*, XXII (November 1944), pp. 776-792.

<sup>46</sup> W.A. Martin, "Industrial Peace", p. 346.

<sup>47</sup> Daniel Coates, "Organized Labour", p. 105.

the Ontario and the Nova Scotia Regional Boards refused any increase and, as a result, the workers voted overwhelmingly to strike. The threat of a strike by employees of DOSCO and Algoma Steel in the late summer and fall of 1942 represented "the most serious threat to the government's wage policy since its inception,"<sup>48</sup> but the dispute was temporarily postponed by the appointment of a three man commission of investigation. In January 1943, the Barlow Commission reported. The positions of its members were similar to those taken by the conciliation board in the Peck Rolling Mills dispute. The Majority Report interpreted the most recent wage order narrowly. In its view, further adjustment in the basic wage rates was unjustified since there had recently been a cost of living bonus and the prevailing rates for unskilled employees were not "substandard". Despite the application of the "national" wage policy, the Board rejected the recommendation that the steel industry be classified a national industry as the union had requested. The Minority Report recommended that the steel industry should be given a special exemption from the wage policy because of the "peculiar arduousness" of the work, and the "inhumanly long hours." At Algoma more than 40 per cent of the steelworkers received less than 55 cents an hour and in Sydney the proportion in this category was closer to 60 per cent. "Testimony . . . told a story of hardship and privation, of overcrowding, of financial worry, of acute distress occasioned by illness against which there was no financial protection."<sup>49</sup> Such families did not receive the bare subsistence income set by the Department of Labour, the Dominion Bureau of Statistics, the Toronto Welfare Council, and other welfare agencies. The Majority and Minority Reports also differed on the interpretation of the Commission's terms of reference. The Majority believed its jurisdiction was limited to interpreting and applying the wage order. The Minority member believed the Commission had been appointed because of an acute crisis in the steel industry and its job was not to duplicate the functions of the War Labour Board but rather to provide the government with a solution to the crisis. He therefore sought to interpret the wage order in light of the situation in the steel industry, the war production effort, the government's labour policy and the public interest.

Following the release of the Commission's Report, 9000 employees went on strike. Some 2700 Trenton steelworkers struck in sympathy. Immediately the government called a conference of the interested parties to Ottawa. Negotiations took place directly with the government and senior members of the Cabinet (including King, Howe and Mitchell) were involved. Despite considerable disagreements in the Cabinet the union secured a number of concessions and a prolonged strike was avoided. In a "Memorandum of Agreement", the government agreed to some recommendations of the Majority Report; but steel was to be designated a national industry; the union could present a new case to the National War Labour Board; and the steelworkers

<sup>48</sup> *Ibid.*, p. 108.

<sup>49</sup> *Labour Gazette* (Ottawa 1943), pp. 61-68.

would be paid a new basic rate of 55 cents an hour.<sup>50</sup>

The strike had a significant impact on the form of future labour legislation, for under pressure, the Prime Minister developed a new policy.<sup>51</sup> During the conference the Prime Minister proposed that the union take its case before a reconstituted "independent" National War Labour Board. His unpopular Labour Minister, Humphrey Mitchell would resign as Chairman of the NWLB and be replaced by Justice McTague. In this way Mitchell's influence would be limited but his position as Minister of Labour would not be compromised. King "was optimistic that McTague could do what Mitchell failed to do: enforce the government's wage policy without alienating the labour movement completely and without mishandling disputes which would result in national crises and Cabinet intervention."<sup>52</sup> In fact, the NWLB did not succeed in lessening labour opposition. When it reviewed the steel wage case, it lowered the basic wage rate agreed upon in the "Memorandum of Understanding" and withdrew the designation of steel as a national industry. The union had understood that the Board would not be able to change the terms of the Memorandum except to improve on them. Since the Board was now "independent of politics" the Cabinet would not intervene to guarantee its own commitment. There followed a total disillusionment about the worth of any understanding with the government.

By early 1943 the labour movement and the government were completely at odds over the related issues of collective bargaining and wage controls. The government was asking labour to sacrifice wages as part of the war effort, and labour believed that in return there should be a guarantee of collective bargaining rights to protect workers from arbitrary employer action. The lack of collective bargaining legislation and the rigid enforcement of wage controls effectively undermined collective bargaining, and thereby threatened the labour movement itself.

In 1942 the labour movement's bitter experiences caused it to engage in more militant industrial action and also active political support for the CCF, whose labour platform accorded with their own. Throughout 1942, the CCF was attracting members, supporters and revenue, and was becoming a credible alternative to the two old parties, particularly in the province of Ontario. "The greatest new source from which the CCF was deriving members and revenue was Ontario's mushrooming trade union movement."<sup>53</sup> Three days before the Kirkland Local ended its strike, Joe Noseworthy, the CCF candidate, defeated Arthur Meighen in South York. This campaign, which was actively assisted by organized labour, provided further impetus to CCF organizing. The CCL moved toward a more formal relationship with the CCF, and the CCF-Trade Union Committee in Ontario worked towards this end. Its activities eventually

<sup>50</sup> *Ibid.*, p. 193.

<sup>51</sup> Daniel Coates, "Organized Labour", p. 126.

<sup>52</sup> *Ibid.*, p. 128.

<sup>53</sup> G. Caplan, *The Dilemma of Canadian Socialism* (Toronto 1973), p. 95.

culminated in a labour conference sponsored by the CCF which formally endorsed the party as the "political arm of labour". Only eight months after the CCF victory in South York, the 1942 CCL convention recommended that its constituent unions study the CCF program.<sup>54</sup>

These events did not pass unnoticed. The level of industrial unrest and the surge of support for the CCF motivated Hepburn's previously anti-labour government to do an about-face. At the 1942 CCL convention, Ontario Labour Minister Peter Heenan announced that his government was planning to introduce an Ontario collective bargaining act.<sup>55</sup> This announcement was premature as the Ontario Collective Bargaining Act was not enacted until April 1943 but, against the background of Kirkland Lake, and the federal government's continued opposition to collective bargaining, its effect was electrifying. Labour's increasing support of the CCF also influenced the Ontario Conservatives who adopted a Twenty-Two Point Program for the 1943 campaign, which included "comprehensive collective bargaining legislation." The Federal Conservatives chose Progressive Premier John Bracken of Manitoba as its new leader and drafted a new program designed to combat the CCF. At the end of 1942, King himself expressed "some concern" with the marked rise in CCF support and its developing alliance with organized labour; his main concern was not yet with the CCF.<sup>56</sup> As has already been noted, he responded to labour dissatisfaction directly during the steel strike by reconstituting the NWLB, which became a tripartite body which included J.L. Cohen as the labour representative. The new board was more independent of the Labour Department. It was to meet in public and function as an "industrial court" which would develop a specialized "labour jurisprudence",<sup>57</sup> and was empowered to inquire and report to the Minister of Labour on labour matters. Thus it would have an indirect role in policy making.

In April 1943, following a public enquiry by a committee of the Ontario legislature, the Collective Bargaining Act was passed. This legislation represented "the first attempt in Canada to enforce on employers in positive terms a duty to bargain collectively."<sup>58</sup> Like P.C.10802, it increased the pressure for a comprehensive federal code. The Ontario Liberals had enacted the statute in order to indicate their concern with the state of labour management relations<sup>59</sup> but it did not take effect until June, and its passage was too late to prevent the defeat of the Liberals in August. Nevertheless, it was an important influence on the federal government and its provisions were later substantially reproduced in the federal order-in-council P.C.1003. In addition the

<sup>54</sup> *Ibid.*

<sup>55</sup> *CCL Convention Proceedings* (Ottawa 1942).

<sup>56</sup> Daniel Coates, "Organized Labour", p. 138.

<sup>57</sup> *Labour Gazette* (Ottawa 1943), p. 167.

<sup>58</sup> Bora Laskin, "Collective Bargaining in Ontario: A New Legislative Approach", *Canadian Bar Review*, XXI (Nov. 1943), p. 684.

<sup>59</sup> Daniel Coates, "Organized Labour".



public hearings preceding the bill provided a public forum which labour used to mobilize support for its position.

At the hearings there was only token opposition from business. The committee canvassed the issue of compulsory collective bargaining, the legal status of trade unions, the principle of majority rule in determining support for a union, and the status of "company unions".<sup>60</sup> Labour, of course, supported compulsory collective bargaining and proposed an exclusive bargaining agency for the majority union, legally binding agreements enforceable through arbitration procedures, and the proscription of employer dominated "company unions". Business only tentatively opposed compulsory collective bargaining since it realized that its legislation was now inevitable. However, business groups sought the registration and incorporation of unions so they could be sued for damages, and favoured proportional representation in situations where there existed a union and employee association. Employers proposed that employee committees which were not "unduly influenced" by the employer should be eligible for certification and sought a legislative guarantee of the employer's "right" to state his position on the question of unionization.<sup>61</sup>

The Ontario legislation was a compromise between these two positions. The principle of compulsory collective bargaining was recognized as was the concept of majority rule and the exclusive bargaining agency. Unions were not incorporated but they did have to file their officers' names and a financial statement with the Registrar of the Labour Court. The wording of the Act was vague about "company unions", but presumably if they were reasonably independent, they could be certified. Labour had advocated a tripartite administrative tribunal to enforce the act, and stressed the importance of industrial relations experience if the act was to be effectively administered. Business did not express much concern about enforcement. The Ontario Collective Bargaining Act, while modelled in general on the American Wagner Act, established a Labour Court, rather than a labour relations board to administer the statute. The Labour Court was part of the High Court of Ontario and was granted exclusive jurisdiction to handle all questions arising under the Act. Judges rotated and sat for two week periods in the Labour Court. The Court was empowered to determine the unit of employees appropriate for collective bargaining, and certify the trade union which represented the majority of them. It could also order the "decertification" of a union which lost majority support and could refuse to certify an employer dominated organization. In addition, it had broad remedial powers to deal with violations of the act, and could, for example, order the reinstatement of employees unlawfully discharged. The Labour Court mechanism was criticized by labour for its "legalism" and formality, but organized labour generally supported the act.

<sup>60</sup> Ontario, *Proceedings of Select Committee Re Bargaining between Employers and Employees* (1943), Legislative Library, Toronto.

<sup>61</sup> *Ibid.*

Despite its imperfections, it was serving a need. It effectively ended the need for recognition strikes. In its first six months of operation, the Labour Court was primarily preoccupied with certification proceedings, and received 130 applications affecting approximately 80,000 persons. While employees' associations continued to be certified as well as unions, certification of unions predominated.<sup>62</sup>

The Labour Court experiment influenced later federal legislation, for, after considering the problems faced by the Court, the federal government rejected this device in favour of a quasi-judicial administrative tribunal. The Labour Court mechanism had been rather cumbersome. The judges had no specific labour relations expertise, and, since they sat in rotation for short periods of time, they did not have the opportunity to develop such expertise. Formal court procedures and rules of evidence were inappropriate and unnecessary. For example, the industrial relations criteria necessary for a sound determination of the appropriate bargaining unit were not necessarily amenable to legal proof.<sup>63</sup> Interestingly, the Court proved less sympathetic to craft unions than the U.S. National Labour Relations Board, and in administering representation votes tended to emphasize the majority principle, and give relatively less weight to the demands for independent status made by small groups of skilled craftsmen. In this respect, the early reservations of the TLC craft unions concerning the desirability of the Wagner principles turned out to be entirely justified.

In April 1943 the federal government had announced that the NWLB would conduct its own public enquiry into the causes of labour unrest (which in 1943 involved almost a quarter of a million workers and resulted in over a million man-days lost).<sup>64</sup> In February when the NWLB was reconstituted, the government had had no intention of introducing a national labour code or of using the Board for this purpose. The change in its attitude was a response to the high level of industrial unrest, and the increasing popularity of the CCF which was now strongly supported by organized labour.<sup>65</sup> The public hearings of the NWLB gave labour a national platform from which to air its grievances. As in Ontario, there was not a great deal of opposition from business. CCL President A.R. Mosher characterized labour policy to that date as "trying to crowd out the effect rather than eliminate the cause of much of the discontent that prevails among the working people of this country."<sup>66</sup> The UAW brief asserted that in a period of industrial growth, it was unreasonable of the

<sup>62</sup> "Summary of Activities of the Labour Court, June 14, 1943, to December 31, 1943", Ontario Labour Court, Ontario Department of Labour Papers, Archives of Ontario.

<sup>63</sup> Bora Laskin, "Collective Bargaining in Ontario", p. 693.

<sup>64</sup> *Strikes and Lockouts in Canada* (Ottawa 1977).

<sup>65</sup> Daniel Coates, "Organized Labour", p. 137.

<sup>66</sup> Stephen Purdy, "Another Look at Orders-In-Council P.C.1003", unpublished graduate paper, York University, 1976, p. 8.

government to attempt to curtail the organizing and bargaining activities of unions,<sup>67</sup> which were intended to modify the old system of managerial paternalism. The labour movement demanded a permanent national labour code which recognized the right of labour to organize, enforced recognition of the majority union, outlawed "company" unions, and established a board to effectively administer the act.

In August 1943 the stunning result of the Ontario election brought the defeat of Nixon's Liberals and the election of George Drew, but more significantly, the election of the CCF as Official Opposition. The CCF caucus consisted of 34 members of whom 19 were trade unionists, (ten TLC and nine CCL) including Charlie Millard, head of the Steelworkers, and Bob Carlin, head of the Mine, Mill and Smelter Workers.<sup>68</sup> The results of this election finally induced the federal government to alter its labour policy. King recognized that the "CCF had made a telling run in all industrial constituencies, particularly where there had been labour unrest, making clear the combination of the industrial C.I.O. with the political C.C.F."<sup>69</sup> When the Federal Liberals lost four by-elections — two to the CCF — shortly after the Ontario results, King feared that it might even be "the beginning of the end of the Liberal Party federally."<sup>70</sup> He attributed his party's setback to "bad handling of labour policies", and poor party organization. Pickersgill confirmed that at this point in time King "felt the loss of labour's support was the greatest threat to the chances of the Liberal Party winning the next election."<sup>71</sup>

King immediately acted to forestall "this calamity". In August he made a surprise visit to the TLC convention. At that convention, the TLC finally established a political action committee although it maintained its policy of non-affiliation to any political party. In September the CCL convention endorsed the CCF as the political arm of labour. In September in a speech to the National Liberal Federation, King presented a new platform which attacked the CCF and appealed to the labour vote. King was, above all, an astute politician. As Daniel Coates has observed:

The party forming the government between 1935 and 1944 did not accept labour union demands for a change in national labour policy until labour achieved sufficient strength during a war emergency period to join with the CCF party and appear to threaten the survival of the Liberal Party and the government.<sup>72</sup>

In August 1943 both the Majority and the Minority Reports of the NWLB Inquiry were presented to the Minister of Labour. Both recommended a new labour code which would include the principle of compulsory collective bargaining. The government was now committed to legislation, although the

<sup>67</sup> *Ibid.*, p. 10.

<sup>68</sup> Gad Horowitz, *Canadian Labour In Politics* (Toronto 1968), p. 77.

<sup>69</sup> Daniel Coates, "Organized Labour", p. 138.

<sup>70</sup> *Ibid.*, p. 139.

<sup>71</sup> *Ibid.*, p. 140.

<sup>72</sup> *Ibid.*, p. 225.

Board's reports were not released until January 1944 so that the government could consider its position on both collective bargaining and wage controls. Both issues had played a part in the recent labour unrest. In the interim, the government dismissed J.L. Cohen, the labour representative, from the board (in part for his public discussion of the reports prior to their release). The government finally decided to maintain its system of wage controls despite their unpopularity. In these circumstances, legislation on the collective bargaining issue became a political necessity. The political consensus which King was always seeking to preserve had crumbled during the war, as organized workers sought a new status in industry and government.

P.C. 1003 was enacted in February 1944. It has been viewed as a turning point in the development of our industrial relations system since it became a model for post-war legislation. It adopted the major points of both NWLB reports. It guaranteed the right to organize and bargain collectively, established a procedure for the certification and compulsory recognition of trade unions with majority support, recognized the exclusive bargaining agency principle, defined unfair labour practices, provided for remedies, and outlawed company unions. It established an administrative tribunal (rather than a court) to enforce the order. It incorporated the basic principles of the American Wagner Act but also continued the distinctly Canadian policy of compulsory conciliation prior to a legal strike. Unlike the American legislation, it contained no preamble or policy statement indicating that collective bargaining was in the public interest or a desirable method of conducting employer-employee relations.<sup>73</sup> Again, in contrast to the American legislation, the parties were not entitled to strike or lockout during the term of the agreement. The collective agreement itself, however, was now legally enforceable. The government's primary concern had been, and continued to be, the elimination of industrial conflict, and the concessions to labour contained in the new legislation were primarily designed to accomplish that purpose. Nevertheless, the legislation was welcomed by labour, since both trade union organizing and collective bargaining were accorded protection and a clear legal status. Recognition strikes were no longer necessary in order to initiate bargaining. The aspirations of employees were sanctioned by law, and could no longer be regarded as illegitimate. Employer opposition to trade unionism was not eliminated but many of its manifestations became illegal.

The immediate political impact of the legislation was to undercut labour's opposition to the government, but because the legislation was implemented in the form of an order-in-council, it would be in effect for the duration of the war only. When it was introduced, the government was responding to an immediate political situation. It was not meant to be a permanent measure. This fact and the increased uncertainty which unions felt at the end

<sup>73</sup> Such a provision became part of the Ontario legislation in 1970, and the federal legislation in 1972.

of the war concerning the permanence of their organizational and legislative gains, resulted in a new wave of industrial unrest. The emerging issue in this strike wave was union security. These strikes and the decisions taken at a federal-provincial conference immediately following the war, ultimately ensured that the wartime advances would be maintained in the postwar era, albeit in a more decentralized industrial relations system than the one developed during the war emergency. In 1948 the Industrial Relations Investigation Act (IRDI Act) replaced P.C. 1003 and the IDI Act at the federal level. The provinces either opted into this legislation or adopted similar acts of their own.

### III

The war years were crucial for the development of the Canadian labour movement. Union membership grew tremendously. Large industrial unions proved to be permanent. Labour achieved legislative protection as a result of pressure on both the industrial and political fronts. The change in wartime labour relations consisted of a process whereby bargaining relationships were facilitated and thereby stabilized. At the beginning of the war, the government's labour policy had been "non-interventionist" but despite its alleged "neutrality" it had in practice been restrictive. The old industrial relations system based on little government intervention except through the imposition of conciliation proved inadequate to deal with conflicts over the issue of collective bargaining. The NASCO dispute pointed out these legislative inadequacies. The loss of the Kirkland Lake recognition strike was such a threat to the future of organized labour that thereafter the TLC and the CCL, despite their organizational rivalries, united to demand legislative remedies. The government's refusal to implement collective bargaining legislation and labour's opposition to wage controls impelled the labour movement to take political action.

The year 1943 was a watershed in the development of wartime labour policy as labour's strike activity and political action reached a peak. Such action did not end wage controls but did result in positive legislation in a new system which recognized trade unions, institutionalized collective bargaining, defined unfair labour practices and provided remedies, and legitimized trade union activity through legally binding collective agreements. To regulate industrial relations, the government introduced a new independent mechanism, the specialized administrative tribunal. Henceforth the "rules of the game" would be determined, in part, by a body representative of the parties bound by those rules, and the roles of the judges and courts would be reduced. This mechanism, (which was originally merely an extension of wartime political control of the economy) became a permanent part of the policy making apparatus following the war.

Labour did not gain significant representation in government but it did win a limited role on the new tripartite tribunal. These legislative and

administrative reforms were not achieved within the context of a socialist society as some labour leaders had hoped. Consequently, the conservative administration of labour legislation would inevitably create tensions between labour, business and government. Because of their wartime experiences, the CCL industrial unions formed a relatively permanent political alliance with the CCF. This factor probably decreased labour's influence as an interest group. The labour movement would never achieve the degree of participation in government which it had sought during the war years.<sup>74</sup>

The impact of trade unionism during the war on the position of employees was significant. Trade union pressure helped to initiate improvements on the job and preserved them at the end of the war. The seniority principle for example, introduced a new measure of job security. The trade union became a permanent part of the labour relations process at every organized plant, and acted to ensure that the agreement was properly interpreted and administered. The grievance procedure provided a practical method for resolving disputes if an employee believed that he was being treated in an arbitrary or discriminatory manner or had been discharged or disciplined "without just cause". This was perhaps the most important achievement of the period. Mackenzie King could incorporate social welfare measures into the Liberal platform in order to undermine the political gains of the CCF (though not its alliance with labour) to ensure his re-election in 1945. But the restrictions on the previously unfettered authority of management and the resulting changes in the status of employees on the shop floor were permanent. To that extent a degree of democracy in industry was achieved.

<sup>74</sup> In its recent opposition to the present wage controls, the CLC requested greater consultation in government. When it did not get it, it embarked on its "National Day of Protest." *CLC Manifesto* (Ottawa 1976).