

Union Structure and Strategy in Australia and Canada

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Introduction

THE AIM OF THIS PAPER is to compare the experiences of Australian and Canadian unions during the 20th century. This comparison reveals many more similarities than differences. The similarities are best understood within a framework developed by Ross Martin.¹ He identifies five types of national trade union movements based on the relationship between unions, the state, and political parties: party-ancillary; state-ancillary; party-surrogate; state-surrogate; and autonomous. Unions in Australia and Canada fall into the last "autonomous" group, which comprises union movements from just twelve developed Western nations. Unlike the vast majority of union movements around the world, autonomous unions are dominated by neither the state nor political parties. This allows them relative freedom to define and pursue their organizational forms and goals.

Despite this fundamental similarity, "the structure and functions of autonomous trade union movements vary considerably. So, too, do their precise relationships with political parties and with the state."² The account below explores these differences in Australia and Canada by tracing the development of unions in the two countries and identifying the differences in their memberships, structures, and strategies; hence, much of the paper is descriptive in nature. But some explanation is also offered. In developing this explanation, both internal and external factors are assumed to be important. Clearly, union members and leaders participate in debates and struggles over the structure of their organizations, the objectives they should pursue and the tactics and strategies they will adopt, while at the same time these choices are at least partly moulded by the broader environment (the state,

¹Ross Martin, *Trade Unionism: Purposes and Forms* (Oxford 1989).

²Martin, *Trade Unionism*, 186.

employers, and other social, economic, political, and even geographic factors) in which unions operate. Martin ultimately provides, however, the explanatory key as well as the descriptive foundation of the paper: it is the relationship between unions, political parties, and the state which most effectively explains the diverse experiences of the two union movements.

The paper's point of departure is the environment in which unions operate: the first major section examines aspects of Australian and Canadian history and society which bear special relevance for an understanding of trade unionism. The second section turns to the development of the two union movements before the 1980s. Initially, each country is examined separately, although a common structure is used: union growth is divided into three stages defined by the type of unions to emerge. A comparative summary of the two pre-1980s experiences is then offered. The 1980s and 1990s were turbulent years in both countries and the third section examines the changes they brought to unionism. Again, each country is treated separately before presenting a comparative summary. A final concluding section draws the main threads of the argument together.

The Context of Union Development in Australia and Canada

Australia and Canada display some remarkable similarities. Within the vast expanses of land, the relatively small non-indigenous settler populations of the two countries were historically concentrated in a small number of limited (and widely dispersed) areas. Although the population of the Australian colonies of the 19th century was heavily concentrated in a small number of urban areas on the coasts of the continent, the settlements were separated by hundreds, if not thousands, of kilometres. This early geographic isolation, reinforced by the separate legal and political regimes of each colony until federation in 1901, encouraged a regionalism which affected all aspects of 20th-century life, including union organization and strategy and legal regulation. Individual unions and union federations within each colony operated autonomously long before their federal counterparts even emerged. After federation, the sharing of legislative power over industrial relations between the state and federal parliaments limited the role of new federal organizations and maintained the position of state union organizations for many decades. In this context, there was ample opportunity for inter-regional conflict and national unity was achieved only gradually. Only during the 1950s did the federal arbitration system implement more centralized regulation and only then did the national union federation, the Australian Council of Trade Unions (ACTU), begin to overcome the dominance of the state labour councils. It was not until the 1970s that this process of centralization achieved maturity.

The Canadian population was also widely spread, but mostly concentrated along a narrow southern belt parallel to the US border. The pockets of urban population were often separated by vast distances. Economic trade and lines of communication tended to run north-south between Canadian regions and the US

rather than east-west within Canada. As a result, regionalism was a strong ingredient of the Canadian identity and the US played an influential role in Canadian society. The first Canadian trade unions in the 19th century established links with the US labour movement before developing similar relationships within Canada. The pan-Canadian union structure was rather loose and, for a long time, not decisive in shaping the labour movement.

The strength of regionalism in Canada was shown in the constitution of 1867 (when the British North American colonies federated) which left political autonomy on social matters and civil rights to the new provinces. Unlike the US, the courts' interpretation of the constitution in 1925 left to the provinces jurisdiction over most aspects of labour relations. After World War II, only around 10 per cent of the labour force fell within the jurisdiction of federal labour laws. With this high degree of decentralization in labour legislation, there was certainly a potential for divergence in labour policy. But unlike Australia, the governments did not intervene much in the labour relations system before World War II. Thereafter the legal framework for collective bargaining was modelled on the American pattern set down in the US Wagner Act. The regionalism of Canada, however, had an additional dimension which was absent in Australia; one of its important regions, Québec, contained a large French population (80 per cent). This brought a new line of cleavage, based on cultural and religious differences. So, the gradual centralization of government and union organization achieved in Australia did not emerge in Canada.

The development of both Australia and Canada has been affected by larger, more powerful nations. In Australia, the dominant influence was the colonizing power, Britain. Australia's white population was overwhelmingly British in origin until after World War II, ensuring that Australia in the 19th century inherited much of Britain's legal and political system, as well as its culture and values. The structure of the Australian union movement also owes a great deal to the colonizing power, with many unions being constituted as colonial branches of British parent organizations. The great distance of the colonies from London, however, meant that the transplantation process rarely produced a perfect colonial copy of the British model and the differences between the two countries became more pronounced as the 20th century developed.³ Most important was the more active role played by the state in Australian economic and industrial life, in the 20th century including the tariff protection provided for domestic manufacturing in Australia and the legal regulation of industrial relations delivered by compulsory arbitration.⁴ Both tariffs and

³For example, see Michael Quinlan, "Pre-Arbitral Labour Legislation in Australia and its Implications for the Introduction of Compulsory Arbitration," in Stuart Macintyre and Richard Mitchell, eds., *Foundations of Arbitration: The Origins and Effects of State Compulsory Arbitration, 1890-1914* (Melbourne 1989).

⁴Mark Bray and Malcolm Rimmer, "Voluntarism or Compulsion? Public Inquiries into Industrial Relations in New South Wales and Britain, 1890-94," in Macintyre and Mitchell, eds., *Foundations of Arbitration*.

compulsory arbitration were partly the result of union agitation, evidencing the different union strategies pursued by Australian and British unions after the 1890s, but these state policies were in turn important influences upon the development of Australian unions which were absent in Britain.

The Canadian situation was more complex. The single most important influence on Canadian development was the US. Not only was there a free flow of workers between Canada and the US until the 1930s, but American capital was vital for Canadian industry. English-speaking Canadians largely shared the same language and accepted broadly similar goals and values as Americans. So, the American unions saw Canada as a natural field of expansion for their movement and, until recently, the majority of Canadian unionists were members of so-called "international unions," which were in reality American unions extending their organization to Canada. The system of labour law and collective bargaining adopted in Canada was based on their American counterparts.

This American hegemony, however, was not complete. There were significant differences between the peoples of the two countries that shaped Canadian unionism. As evidence, Canadian union density is now twice that in the US and the two industrial relations systems have become increasingly divergent over the last 30 years. Despite similarities with the Americans, Canadian society has tended to be less individualistic, less anti-statist, and more egalitarian.⁵ The difference does not come from a stronger Tory tradition, as argued by various Hartzians, but rises from Canadian employers being less successful in dominating political norms and institutions. The influence of the colonizing power, Britain, played a significant role in this regard as an alternative model of social and political development. As in Australia, the inheritance of British norms and values and an emotional attachment to the "Mother Country" by English-speaking Canadians brought less fierce opposition to state intervention in labour relations, more proneness to welfare state policies, and greater interest by unionists in direct political involvement.

The influence of British institutions was also noteworthy in the creation of the Co-operative Commonwealth Federation (CCF) in 1932 partially on the model of the British Labour Party. A growing number of unions endorsed its program in the 1940s and the Canadian Labour Congress sponsored its successor, the New Democratic Party (NDP), in 1961. Its goals for a more egalitarian and collectivist society helped to counterbalance the anti-statist and individualistic values of the business community. As we will see, it contributed to a more favourable environment for legislation supportive of collective bargaining and statist-welfare policies than in the US. Unlike their American counterparts, Canadian unions pursued political strategies which were oriented more towards broad social and political issues than just the narrow industrial interests of their members. This was especially

⁵Seymour Martin Lipset, *Continental Divide: The Values and Institutions of the United States and Canada* (New York 1989); Gad Horowitz, *Canadian Labour in Politics* (Toronto 1968), 3-57.

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the case after World War II. In this respect, Canadian unions were able to establish "social unionism" of a type more like their Australian counterparts than the "economistic unionism" associated with the American internationals.⁶

The British influence, however, was weak among the French-speaking population of Québec. The distinct identity of its union movement comes from the influence of European Catholic unionism and from its sensitivity to nationalism. At the beginning of the 20th century, the Roman Catholic Church set up catholic unions that kept their religious identification until the 1960s. The nationalism was also more deeply rooted than in English Canada. It led to the birth of Canadian unions opposed to the spread of American unions in the early 20th century and to the support by major central unions for the independence of Québec in the 1980s. But these special characteristics should not be overemphasized; the majority of unionists in Québec as elsewhere in Canada joined international unions until the 1960s.

The Australian and Canadian economies also saw the influence of larger nations. Both countries have considerable natural resources, which originally served the industrial needs of Britain and the US, but later provided the basis of strong, internationally competitive primary sectors. A dependence on primary industries for exports, however, made both nations reliant on relatively volatile markets dominated by a small number of major customers (in Australia's case, first Britain and then Japan; in Canada's case, the US) and, therefore, economically vulnerable. Manufacturing was also heavily influenced by foreign interests in both countries. In Australia, high tariff barriers were used to protect local industry from overseas competition for most of the 20th century. In such a context, the union movement was more easily able to recruit members and maintain high wage levels.⁷ Capital shortages facing local companies and the lure of captive domestic markets behind the tariff barrier, however, led to considerable foreign investment and ownership. The end result was a widely-based, but inefficient, manufacturing sector focused on import competition rather than exporting. By the 1970s, the weaknesses of this traditional manufacturing base were becoming evident and crises of the 1980s brought major change. Such trends had a significant impact on Australian unionism. In Canada, industrial development depended heavily on American capital, technology, and executive personnel. American corporations set up subsidiaries or branch plants which came to dominate manufacturing (and resource) industries; it was estimated that in 1984 half of the manufacturing sector was foreign-owned, primarily by American interests. American corporations brought with them their approach towards unionism and collective bargaining.

⁶Ian Robinson, "Economic Unionism in Crisis: the Origins, Consequences and Prospects of the Canadian/US Labour Movement," in Jane Jenson and Rianne Mahon, eds., *The Challenge of Restructuring: North American Labor Movements Respond* (Philadelphia 1992).

⁷David Plowman, "Industrial Relations and the Legacy of New Protection," *Journal of Industrial Relations*, 34 (1992), 48-64.

Australian and Canadian Unions Before the 1980s

Both Australia and Canada saw three successive waves of union growth which were associated with the organization of new types of workers into new types of unions. However, the timing of these waves and their internal dynamics were quite different. The earliest union growth in both countries came through craft unions recruiting skilled manual workers. In Australia, the second wave of unionism amongst less-skilled manual workers began with an initial burst of union organization in the 1880s. Major defeats in the great strikes of the 1890s postponed more permanent unionization of such workers until the early years of the 20th century, but the transformation into a more broadly-based movement, seeking (limited) political as well as industrial goals was complete by the beginning of the century. In Canada, the craft unions continued to dominate the Canadian union movement until the 1930s, when industrial unions finally spread unionism to less skilled manual workers. The Canadian unions consequently remained more conservative and narrow in their goals and methods. The third wave of unionism, that organizing white-collar workers, represents the most significant difference between the two labour movements. While white-collar unions in both countries expanded enormously from the 1960s onwards, white-collar unions in Australia had enjoyed a long and relatively stable history. This contrasts with the very late emergence of white collar unions in the Canadian public sector and their continuing weakness in the private sector.

Union Structures and Strategies in Australia

The Craft Unions: Workers in the Australian colonies took various forms of collective action throughout the first half of the 19th century.⁸ Their collective organizations, however, were generally small local bodies, often formed to advance single issues or to exploit labour scarcities and they proved vulnerable to employer opposition or market declines. More permanent trade unions emerged from the 1850s. They were exclusive craft unions representing skilled manual workers, invariably male, who had served apprenticeships in trades like engineering, building, and printing. Many of these early unions were the result of organizing traditions transferred from Britain; the most celebrated example was the Amalgamated Society of Engineers, whose first overseas local branch was formed in 1852 among migrating workers on a ship bound for New South Wales.⁹

These craft unions flourished in the generally good economic conditions of the "Long Boom" between the gold rushes of the early 1850s and the depression of the early 1890s. They used a variety of strategies to secure their organizations and to regulate wages and conditions of employment in their trades. They sought

⁸Michael Quinlan, "Early Trade Union Organisation in Australia: Three Australian Colonies, 1829-1850," *Labour and Industry*, 1 (1987), 61-95.

⁹Robin Gollan, "The Historical Perspective," in P. Matthews and G. Ford, eds., *Australian Trade Unions* (Melbourne 1968).

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to control the supply of skilled labour by restricting apprentice numbers; union work rules dictated minimum wages and working hours, which were enforced with the help of union benefit funds; and in some industries, they collectively bargained with employers to establish employment standards. All of these methods relied on the scarce skills of craft workers as the source of their collective strength. These same skills set the craft workers apart from other workers. In fact, their economic and social advantage partly depended on the capacity of their unions to maintain the integrity of their trade.

Such strategies, however, did not mean that each union was isolated. Local trades and labour councils were established in the larger urban centres as early as 1856 in Melbourne and 1871 in Sydney. These inter-union bodies provided a forum for the exchange of ideas and information, they co-ordinated joint campaigns (shorter working hours being a particularly popular issue) and they were a source of support during industrial disputes. The broadest expression of inter-union co-operation came with the convening of Inter-Colonial Trade Union Congresses, the first of which was held in Sydney in 1879.

The trades and labour councils were also a focus of union political activity. Initially, the limited extension of voting rights and the lack of public salaries for parliamentarians meant that the main forms of political activity were to lend support to individual pro-labour candidates and to lobby members of parliament once they were elected. During the 1880s, moves towards more direct working-class political representation emerged. These developments reflected deeper changes in the nature of the union movement.

The "Mass" Unions: Slowly from the 1870s and rapidly in the 1880s, the craft unions were joined by unions of less-skilled workers in the mining, transport, and pastoral industries.¹⁰ In some cases, they grew in spite of opposition from the craft unions, in other cases they were organized by the trades and labour councils, which were at the time dominated by the craft unions. The emergence of these new "mass" unions at a time when the older craft unions were also expanding their membership transformed the union movement. Not only did the membership base change dramatically, but widespread productive reorganization and the influence of new radical ideas, derived from socialism and more populist radical writers like Henry George, William Morris, and Edward Bellamy, meant that many unions increasingly saw themselves as organizations representing a class rather than a trade.

This broader outlook brought more expansive organization and new strategies. Although estimates are very rough, total union density in New South Wales and Victoria was considered by one commentator to have grown to around 20 per cent

¹⁰The emergence of these unions has often been referred to as "new unionism," but this concept and the comparisons it inevitably brings with a similar movement in Britain have been questioned by Ray Markey, "New Unionism in Australia, 1880-1900," *Labour History*, 48 (1985), 14-28.

in 1890-91.¹¹ The new mass unions were larger and more geographically widespread, being more likely to extend beyond colonial boundaries. They also saw a stronger role for the trades and labour councils and the inter-colonial federations. The industrial strategies of the mass unions, however, contained an unhappy mixture of old and new. Like their craft predecessors, many sought unilaterally to impose union rules about wage rates and working conditions upon employers.¹² But they lacked the acceptance of employers and the superior market position of craft workers. They were consequently forced to rely heavily upon the closed shop (or compulsory unionism) to prevent employers from introducing non-union labour. For a time in the prosperous 1880s, this strategy was successful and the unions achieved many goals.

The broader outlook of the new mass unions did not extend to the recruitment and representation of female workers. Women admittedly occupied a relatively narrow band of occupations, such as domestic service and shop and office work, which were inherently difficult to organize. But organization was made more difficult by many of the more established unions (of males) which were either hostile towards female employment and female union membership, or encouraged women to join separate female unions.¹³

The growing confidence of the union movement was shattered by a series of major industrial defeats in the depression years of 1890-94. Aggressive organization by employers with the assistance of the state almost completely destroyed a number of the mass unions, while the more established craft unions were significantly weakened.¹⁴ The crisis is widely interpreted as a turning point in Australian labour history, producing two new union strategies. These strategies indicate a growing divergence between Australian and Canadian unionism. On the one hand, nascent moves in 1890 to form a separate labour political party rapidly gained support from unions which had been the victims of pro-employer state intervention in the disputes. The new Labor Party quickly achieved remarkable electoral success and came to hold the balance of power in some colonial parliaments. On the other hand, in response to the pro-arbitration stance of labor politicians and in the face of continuing opposition from employers, unions gradually swung towards support

¹¹ Estimate by Docherty, cited in Gregory Patmore, *Australian Labour History* (Melbourne 1991), 56.

¹² Malcolm Rimmer and Peter Sheldon, "Union Control Against Managerial Power: Labourers' Unions in New South Wales Before the 1890 Maritime Strike," *Australian Historical Studies*, 23 (1989), 274-92.

¹³ Edna Ryan and Helen Prendergast, "Unions are for Women Too!," in Kathryn Cole, ed., *Power, Conflict and Control in Australian Trade Unions* (Ringwood 1982).

¹⁴ Brian Fitzpatrick, *A Short History of the Australian Labour Movement* (Melbourne 1968, first published 1940), Ch. 6-8; Raymond Markey, *The Making of the Labor Party in New South Wales 1880-1900* (Sydney 1988), 158-64.

for greater state intervention (through compulsory arbitration) to force union recognition.¹⁵

These two developments came together when labour politicians joined a coalition of groups to pass compulsory arbitration legislation in several colonies. In some cases this came in the form of wages boards (such as Victoria in 1896 and South Australia in 1900), in others courts and boards of conciliation and arbitration (such as Western Australia in 1900 and New South Wales in 1901), while several states subsequently moved from one form to another.¹⁶ The final version of the federal constitution, negotiated in 1898, also came to incorporate a provision allowing the Commonwealth parliament to establish arbitration tribunals to settle industrial disputes extending beyond the limits of any one state. After considerable political controversy, these provisions were used in 1904 to pass the Commonwealth Conciliation and Arbitration Act.

Despite changes over time and differences between the various jurisdictions, the "arbitral model" came to dominate Australian labour law and to exercise considerable influence on many aspects of Australian economic and social life. The model had two main components. First, a tribunal (a board or court) was established by legislation with powers compulsorily to resolve industrial disputes. This compulsion came in several ways. Parties to a dispute could be compelled (by a government minister or the tribunal itself or by unilateral petition of one of the parties) to appear before the tribunal; this was particularly important in allowing unions to force employers to the bargaining table. An unresolved dispute could be arbitrated by the tribunal and its decision was binding on the parties. However, bans were also imposed upon industrial action, which substantially reduced unions' right to strike. Second, in order to gain the benefits of the system, which included legal incorporation and the right to appear before the tribunals, collective organizations (that is, unions and employer associations) had to register under the legislation.¹⁷

The rise of the arbitral model was both a victory for unions and a spur for them to support compulsory arbitration. The majority of the unions, mostly in the conservative, "labourist" tradition and with limited industrial bargaining power, saw the arbitration systems as providing benefits they might not otherwise receive. Unions were guaranteed a form of recognition from employers and they were given basic protection to wages and working conditions. The benefits, however, remained

¹⁵Ray Markey, "Trade Unions, the Labor Party and the Introduction of Arbitration in New South Wales and the Commonwealth," in Macintyre and Mitchell, eds., *Foundations of Arbitration*.

¹⁶Various voluntary forms of conciliation and arbitration were introduced before the compulsory schemes; see Richard Mitchell and Ester Stern, "The Compulsory Arbitration model of Industrial Dispute Settlement: An Outline of the Legal Developments," in Macintyre and Mitchell, eds., *Foundations of Arbitration*.

¹⁷Richard Mitchell, "State Systems of Conciliation and Arbitration: The Legal Origins of the Australasian Model," in Macintyre and Mitchell, eds., *Foundations of Arbitration*, 89-90.

relatively narrow in scope: arbitration decisions rarely challenged managerial authority, let alone changed the underlying economic structure. There were also corresponding limitations on unions, especially as strike action became largely unlawful. In this way, the arbitral model served a dual purpose: it brought a welcome degree of organizational security for unions and regulation to the labour market, but it also restricted the ambitions and achievements of the union movement.

A minority of more radical and industrially stronger unions were less convinced of the benefits of arbitration, attacking it as a tool of capital and advocating a broader industrial and political agenda.¹⁸ They suffered a number of defeats, however, during the 20th century, including the 1909 coal strike, the rejection of the One Big Union movement in the 1920s, and the crushing of the 1949 miners' strike. Most retreated to safer ground, seeking to demonstrate their militancy in the pursuit of more traditional goals of wages and conditions.¹⁹ Their relationship with the arbitration system proved ambiguous: while they attacked it as an obstacle to genuine class mobilization, most registered and chose to exploit the system when it suited their tactical advantage.

The introduction of compulsory arbitration certainly coincided with strong union growth. Many of the less-skilled unions, whose membership was more dispersed and which relied more heavily on state support, were re-established in the early decades of the 20th century and their memberships grew rapidly. The craft unions, affected less by the defeats of the 1890s and less dependent on state support, more cautiously entered the arbitration system. The craft unions, however, were changing in another way: technological changes were depriving them of their traditional trade exclusivity and they were opening membership to less skilled workers. In total, union membership grew enormously, reaching 27 per cent of all employees by 1911 and 53 per cent by 1920; this represented the highest level of union membership in the world at the time. The aggregate level of union membership remained broadly similar until the 1980s, ranging between 63 and 49 per cent in the post-World War II years.²⁰

The burst of union growth in the early decades of the 20th century was not directed or planned by the state, despite the role of the arbitration systems. Unionism grew organically and its organizational structure had strong continuities with that of the 19th century. By 1920, there were 388 unions, of which the bulk were occupationally-based, being the result of former craft unions diversifying their membership or newer unions formed in the craft union tradition. Industrial unionism had its adherents, but they failed to carry the day. Over the following

¹⁸Brian Fitzpatrick, *The British Empire in Australia*, 2nd Edition (Melbourne 1949), 228-40; Frank Farrell, *International Socialism and Australian Labour* (Sydney 1981).

¹⁹Peter Ewer, et al., *Politics and the Accord* (Sydney 1991), Ch. 1.

²⁰David Plowman, "Union Statistics: Scope and Limitations," in Bill Ford and David Plowman, eds., *Australian Unions* (Melbourne 1983), Table 1.

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decades, the total number of unions remained broadly similar, declining only gradually to 315 in 1979.²¹ This stable aggregate number of unions, however, masked some underlying trends. Older manual unions were amalgamating, resulting in reduced numbers and greater concentration of membership, while at the same time new unions, especially white-collar unions, were forming.²²

The fragmented structure of the union movement also reflected the absence of any central authority within the union movement which could impose a coordinated organisational plan. Despite the early start to inter-union cooperation in the previous century, the formation of a permanent national union federation was delayed until 1927, when the ACTU was established. Ideological differences, the established power (industrial and political) of the state trades and labour councils and the desire of craft unions to retain their autonomy contributed to the lateness of this development.²³ Even after it was established the ACTU remained a relatively weak body with little authority over its affiliates. Its main functions were to co-ordinate submissions to the federal arbitration tribunals, especially in test cases like those over the Basic Wage and standard working hours, and to manage interstate industrial disputes referred to it by affiliated unions. Only gradually, as the federal arbitration system and the federal parliament gained dominance over their state counterparts after World War II, did the ACTU attain greater authority. Until 1943 it did not even have a full-time salaried officer; until 1947 decisions of its biennial congress had to be ratified by state trades and labour councils before they became policy; and until 1957 the Executive was dominated by delegates nominated by the state trades and labour councils.²⁴ These obstacles were being overcome by the 1970s, but by that time the ACTU was still perceived as a weaker body than counterpart national union federations in many other countries.²⁵

The Australian Labor Party (ALP) remained the dominant political partner for most unions, although other political parties — from the Communist Party on the left to the Democratic Labor Party on the right — were important for some unions at some times.²⁶ The unions provided the bulk of the ALP's finances and retained significant (usually majority) votes in party conferences, although these direct links occurred exclusively at the state branch level of both the party and individual unions. The capacity of the unions to dictate party policy, however, was limited by divisions between unions and by the party's desire to avoid the electoral disadvan-

²¹ Plowman, "Union Statistics," Table 1.

²² Malcolm Rimmer, "Long-Run Structural Change in Australian Trade Unionism," *Journal of Industrial Relations*, 23 (1981), 323-43.

²³ Jim Hagan, *The History of the ACTU* (Melbourne 1981).

²⁴ W. Evans, "The Australian Council of Trade Unions," in P. Matthews and G. Ford, eds., *Australian Trade Unions* (Melbourne 1968); Garth Pilkington, "The ACTU's Authority 1927-1957" in Ford and Plowman, eds., *Australian Unions*.

²⁵ Braham Dabscheck, "The Internal Authority of the ACTU," *Journal of Industrial Relations*, 19 (1977), 388-403; Don Rawson, "ACTU: Growth Yes, Power No," in Cole, *Power*.

²⁶ Don Rawson, "Unions and Politics," in Matthews and Ford, eds., *Australian Trade Unions*.

tages of "union domination." Neither the state trades and labour councils nor the ACTU enjoyed direct relations with the ALP, although more informal links were important.²⁷

The compulsory arbitration systems gave the unions new industrial opportunities. Relieved of the more difficult tasks associated with gaining employer recognition and maintaining organizational security, many unions came to focus their activities within the arbitration tribunals where individual unions could relatively easily achieve legally-binding minimum standards. Critics argued, not without reason, that a preoccupation with arbitration led to centralized, undemocratic unions with weak workplace organization.²⁸ The arbitration systems also gave union federations, at both state and federal levels, a role in advancing general industrial interests by mounting centralized test cases on issues like the Basic Wage and standard working hours.

When circumstances were right, these centralized industrial actions were supplemented, and sometimes superseded, by more local action outside the system. Stronger and less conservative unions used direct action and bargaining with employers to seek wages and conditions beyond those offered by the arbitration tribunals. In the more buoyant post-World War II years, the extra-arbitration initiatives of unions like the engineers and the building workers were ultimately passed on to weaker unions through the arbitration test cases and mechanisms like "comparative wage justice." In this way, the arbitration proved to be just one part (albeit a central one) in the complex mix of strategies and tactics pursued by the union movement.

The arbitration systems also failed to eliminate strike action as a tactical weapon for unions. Despite the apparent intention that arbitration be an alternative to stoppages of work and the illegality of most strikes, Australia remained one of the more strike-prone countries of the world before the 1980s, although generally strike levels were below those of Canada. Arbitration, however, was thought to have affected the form of industrial disputes in Australia. After the 1930s Australian disputes increased in frequency but declined in duration. Many commentators argued that this was the result of the arbitration systems ending long disputes over union recognition and unions turning to short demonstration strikes as a tactic in bargaining and arbitration proceedings. At the same time, the neglect of workplace activities (by both unions and management) resulting from a preoccupation with

²⁷Rawson, "Unions and Politics"; Ross Martin, "Trade Unions and Labour Governments in Australia: A Study of the Relations Between Supporting Interests and Party Policy," *Journal of Commonwealth Political Studies*, 2 (1963-64).

²⁸James Kuhn, "Why Pressure-Group Action by Australian Trade Unions?," *Australian Quarterly*, (1952), 61-8.

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the arbitration tribunals was thought to encourage workplace disputes over unresolved local grievances.²⁹

Political activity brought some gains for the union movement, especially upon the election of labour governments. The ALP, however, had limited political success in federal elections before the 1980s. Even when ALP governments were returned (such as the Curtin/Chifley governments of 1941-49 and the Whitlam government of 1972-75), relations between them and the unions were often strained and constitutional restrictions reduced the power of the governments to implement the preferred policies of unions.³⁰ Consequently, it was state ALP governments, especially in New South Wales, Queensland, and Tasmania which brought the unions most reward in the form of favourable amendments to arbitration laws, legislated minimum annual holidays, standard working hours, and long service leave.³¹ Beyond these relatively narrow industrial issues, the unions' political success was blunted by their own disunity and their consequent lack of political influence.

The limitations of the Australian labour movement's industrial and political strategies were especially evident when it came to advancing the interests of women. Except during World War II, union density amongst women workers remained well below that of men and union policies rarely took account of the particular needs of women.³² Within the arbitration system, the "family wage" concept underlying the determination of minimum wages sought to provide male wage earners with income sufficient to support a wife and family, but this worked against women workers who were presumed not to have similar family commitments.³³ At the same time, wage determination criteria used to reward skill disadvantaged female wage earners.³⁴ In a broader sense, the reliance on the arbitration system, rather than the pursuit of a stronger welfare system to protect the working class (so called "wage earner security"), did not serve the interests of women.³⁵

²⁹Braham Dabscheck and John Niland, *Industrial Relations in Australia* (Sydney 1981), 67-77; for an alternative interpretation, see Malcolm Waters, *Strikes in Australia* (Sydney 1982).

³⁰Jim Hagan, "Trade Unions and Labor Governments: Chifley and Whitlam," in Australian Labor Party (NSW Branch), ed., *Traditions for Reform in New South Wales: Labor History Essays* (Sydney 1987).

³¹Ross Martin, "Trade Unions and Labour Governments."

³²Plowman, "Union Statistics"; Patmore, *Australian Labour History*, 169-79.

³³Edna Ryan and Anne Conlon, *Gentle Invaders: Australian Women at Work 1788-1974* (Sydney 1975), Ch. 4; Edna Ryan, *Two-Thirds of a Man: Women and Arbitration in New South Wales, 1902-08* (Sydney 1984).

³⁴Laura Bennett, "The Construction of Skill: Craft Unions, Women Workers and the Conciliation and Arbitration Court," *Law in Context*, 2 (1984), 118-32.

³⁵Frank Castles, *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890-1980* (Sydney 1985).

The White-Collar Unions: Unions of white-collar and professional workers have a long history in Australia. Temporary organizations emerged as early as the 1840s and more permanent white-collar unions were established in the 1880s.³⁶ It was, however, the early decades of the 20th century which saw remarkably strong expansion of white-collar unionism. Compulsory arbitration was especially important to white-collar unions given their generally weak industrial bargaining power and the more conservative nature of their membership.³⁷ The public sector provided the bulk of early white-collar union membership, where they were assisted by the early acceptance by Australian governments of the right of their employees to organize and bargain (if not strike) within the confines of the compulsory arbitration system: federal public sector workers were granted access to compulsory arbitration in 1911,³⁸ while their New South Wales counterparts achieved the same goal in 1919.³⁹ Some Labor governments went even further than this by granting union members preference in recruitment for public sector jobs.⁴⁰ Teachers were one group which emerged from the 19th century with effective organization in a number of states. They formed a federation in the 1920s, but it remained a relatively weak body given that it was state governments who employed teachers and that they were until the 1980s excluded from coverage under the federal arbitration legislation.⁴¹ Post office workers, civil servants in federal and state departments, and employees of government instrumentalities like the railways provide further examples of early public sector groups who unionized. By the beginning of World War II, unions were established to cater for virtually all white-collar public employees, although the extent to which this potential membership was actually realized is impossible to assess.⁴²

Private sector white-collar unionism was slower to form and was restricted to narrow groups of workers in specific industries. Small unions representing retail and office clerks emerged in the 19th century, but it was the availability of "common rule" awards under the state arbitration systems which provided the platform from which more intensive organization took place just before World War I. Unions of clerks were established in several states from 1905 onwards, although organization was always strongest where they were employed in large numbers and

³⁶Ross Martin, *White-Collar Unions in Australia* (Sydney 1965); R. Williams, "White-Collar Unions," in Matthews and Ford, eds., *Australian Trade Unions*.

³⁷The dependence of white-collar unions on arbitration is emphasized by Ross Martin, in "Australian Professional and White-Collar Unions," in J. Isaac and G. Ford, eds., *Australian Labour Relations* (Melbourne 1971), 224. For a contrary view of at least one union's experience, see Peter Sheldon, "The Early Years of the NSW Public Service Association," *Labour and Industry*, 2 (1989), 97-118.

³⁸Gerald Caiden, *The Commonwealth Bureaucracy* (Melbourne 1967), Ch. 10.

³⁹Sheldon, "The Early Years of the NSW PSA," 98.

⁴⁰Martin, *White-Collar Unions in Australia*, 10.

⁴¹Williams, "White-Collar Unions."

⁴²Martin, *White-Collar Unions in Australia*, 6.

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often when they worked in close proximity with strong blue-collar unions, as in the oil, airline, meat, and shipping industries. Shop assistants formed unions early in the century, galvanized by the pursuit of early closing legislation. Bank and insurance workers established unions after World War I, while a range of other groups (like air pilots and flight attendants, journalists, and engineers) followed suit in later years.⁴³ The range of white-collar unions and their scope of membership, however, were far less in the private sector than in the public sector.

Further expansion took place in the post-World War II years. One commentator estimated there were 192 white-collar unions in Australia in 1964 with a combined membership of over 500,000. This represented around 30 per cent of white-collar employment and perhaps 25 per cent of total union membership.⁴⁴ And yet despite the longevity and breadth of white-collar unionism in Australia, both of which were unusual in international terms, its importance in the overall labour movement was limited. White-collar employment was still relatively small and often scattered between workplaces, resulting in weak industrial organisation. White-collar unions rarely employed militant industrial action and they were cautious about political activity, most eschewing affiliation with the ALP. It was not until after World War II that white-collar unions began effectively to co-ordinate their activities through two main peak organizations. The Australian Council of Salaried and Professional Associations (ACSPA), which was established in 1956, became the biggest and the closest to a white-collar counterpart of the ACTU. The Council of Australian Government Employee Organisations (CAGEO) was the oldest peak organisation, its predecessors going back as far as 1915, but it remained a narrower body than ASCPA, restricting its affiliates to unions representing federal public sector workers. The impact of these peak organizations, however, was slight. They were poorly financed and they were rarely consulted by governments, which preferred to deal with the ACTU and the state trades and labour councils.

The relative meekness and obscurity of white-collar unions began to change after the mid-1950s and this trend accelerated during the 1960s and 1970s.⁴⁵ Rapid growth in white-collar employment and a greater willingness among white-collar workers to join unions led to substantial increases in union membership. Between 1969 and 1981, white-collar union membership increased by 564,100 or 89 per cent, while blue-collar union membership increased by only 179,300 or 11 per cent. Over the same period, union density amongst white-collar workers was estimated to have increased from 30 per cent to 39 per cent.⁴⁶ An important part of this growth

⁴³Williams, "White-Collar Unions," 152-6.

⁴⁴Martin, "Australian Professional and White-Collar Unions," 225.

⁴⁵Russell Lansbury, "The Growth and Unionisation of White Collar Workers in Australia: Some Recent Trends," *Journal of Industrial Relations*, 19 (1977), 34-49; Gerard Griffin, "White Collar Unionism 1969 to 1981: Some Determinants of Growth," *Journal of Industrial Relations*, 25 (1983), 26-37.

⁴⁶Griffin, "White Collar Unionism 1969 to 1981," 27.

was new female members and workers in the public sector. Before the 1970s, increases in female union membership were the result of increases in female employment rather than any greater propensity of women to join unions. This changed in the 1970s, however, when union density among female workers increased from 36 per cent in 1970 to 47 per cent in 1980. Over the same period, the number of female union members grew from 571,000 to 1,761,000 while male membership only increased from 1,761,000 to 2,006,000.⁴⁷ Separate density figures for the public and private sectors were not published until 1982, but big increases in public sector employment and in the size of leading public sector unions, especially during the 1970s, suggest strong growth in public sector unionism generally.⁴⁸

A new sense of impatience was also evident in strategies of white-collar unions after the mid-1950s. The changing patterns and declining status of white-collar employment, unfamiliar fears of job insecurity, and dissatisfaction with the decisions of the arbitration systems contributed to a new militancy amongst white-collar workers.⁴⁹ Many went on strike for the first time during the 1960s and 1970s; teachers in Victoria, for example, first struck in 1965 as did their counterparts in New South Wales in 1968,⁵⁰ while bank workers also stopped work for the first time in 1968.⁵¹

The new mood amongst white-collar unions also led to greater integration with the broader labour movement. During the 1960s, ACSPA and CAEGO developed close working relations with the ACTU, especially with the aim of co-ordinating a single union submission to National Wage Cases. This co-operation grew into proposals for merger during the 1970s — proposals which were realized in 1979 (in the case of ACSPA) and 1981 (in the case of CAGEO).⁵² More white-collar unions also shed their fears of political partisanship and began to affiliate with the ALP.

The late 1960s and 1970s finally saw moves by Australian unions, blue-collar and especially white-collar, to advance the interests of women. Under pressure from feminist and other groups, the ACTU established a Women's Charter in 1977. Union federations and many individual unions appointed specialist women's

⁴⁷Plowman, "Union Statistics."

⁴⁸Lansbury, "The Growth and Unionisation of White Collar Workers"; Griffin, "White Collar Unionism."

⁴⁹Martin, "Australian Professional and White-Collar Unions," 228-31.

⁵⁰Bruce Mitchell, "In the Public Interest: The New South Wales Teachers' Strike of 1968," in John Iremonger, John Merritt and Graeme Osborne, eds., *Strikes: Studies in Twentieth Century Australian Social History* (Sydney 1973).

⁵¹John Hill, *From Subservience to Strike: Industrial Relations in the Banking Industry* (St Lucia 1983).

⁵²Martin, "Australian Professional and White-Collar Unions," 227-8; Gerard Griffin and Vincent Giuca, "One Union Peak Council: the Merger of ACSPA and CAGEO with the ACTU," *Journal of Industrial Relations*, 28 (1986), 483-503.

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officers or units to champion women's issues. Union policies also began to focus on women. The ACTU mounted successful arbitration cases for equal pay in 1969, 1972, and 1974 and for maternity leave in 1978. These measures brought benefits for women workers, but women's wages continued to lag behind those of men and women continued to be poorly represented on union committees and in full-time officers' jobs.⁵³

Union Structures and Strategies in Canada

The Craft Unions: As in Australia, Canadian trade unionism began in the early decades of the 19th century when skilled craftsmen established weak, localized and ultimately ephemeral organizations. A few locals of British unions appeared among machinists and carpenters in the 1850s, but solid and permanent craft unions grew from the 1860s under the leadership of American internationals. These unions brought the system of collective bargaining whereby wages, workload, hours of work, and the rules of apprenticeships were negotiated with employers and recorded in a written document. In the 1880s, a very different American influence, the Knights of Labor, made inroads among both skilled and unskilled Canadian workers. The broader political consciousness engendered by the Knights of Labor contributed to the establishment in 1883 of the Trades and Labor Congress of Canada (TLCC) and trades and labour councils in some cities, but the role of these bodies was mainly to channel union demands for legislative reform to governments and city councils. The destruction of the Knights of Labor by the end of the century left the field to the more conservative international craft unions.

Union density in Canada around the turn of the century was low (and similar to that in Australia), but it soon boomed among both English-speaking and French-speaking workers in a context of economic recovery and rapid industrial growth. The number of union locals nearly tripled between 1897 and 1902 and continued to increase steadily until World War I. Union density rose to nearly 10 per cent in 1911 and 16 per cent by 1921.⁵⁴ These were important advances, although less spectacular than the Australian experience. The comparatively modest gains by Canadian unions was understandable given the absence of legislation protecting unions. Canadian unionists had to fight to impose collective bargaining in every single plant. Consequently, Canadian unionism remained confined to a narrow range of industries and occupations. Between the 2 world wars, railway unions represented between 25 and 30 per cent of total union membership, the building trades about 10 per cent, mining 8-9 per cent, while the rest was concen-

⁵³Ryan and Prendergast, "Unions are for Women Too!"; Jennifer Wilkinson, "Unions and Women Workers," in Ford and Plowman, eds., *Australian Unions*; Christine Short, "Equal Pay — What Happened?," *Journal of Industrial Relations*, 28 (1986), 315-35.

⁵⁴Labour Canada, *Union Growth in Canada, 1921-1967* (Ottawa 1970), 78.

trated among skilled workers in manufacturing industries (such as the metal and printing trades, pulp and paper, and clothing).⁵⁵

Membership growth in this period was mostly attributable to the organizing work of branches of the American international unions. In 1914, they had approximately 1700 locals, mainly in the provinces of Ontario and Québec, and they represented between 70 per cent and 90 per cent of total union membership in Canada until the end of the 1920s.⁵⁶ For these international unions, expansion into Canada was a natural extension of their activities because of the mobility of labour; they feared the competitive threat posed by Canadian workers employed at lower wage rates. As well, Canadians who worked for periods in the US often brought with them the desire to join American unions because of their strength, which in turn resulted from greater financial resources (including bigger strike funds), greater experience, and superior organizing abilities. For these reasons, the international unions largely supplanted Canadian national unions and came to dominate the TLCC.

The dominance of the craft union structure until the 1930s did not go completely unchallenged. Some militant unions, such as those in the mining industry and those associated with the One Big Union movement after World War I, advocated industrial unionism. But they remained a minority. Another challenge came in Québec, where the Catholic Church feared the "socialism" of international unions and set up confessional unions from 1907. It expected to attract Catholics, French or English speaking, and even to expand in English speaking provinces.⁵⁷ These unions succeeded in establishing a central organization in 1921, the Canadian and Catholic Confederation of Labour (CCCL), but it failed to attract more than a quarter of Québec unionists. The bulk of the union movement in the province remained loyal to the craft ethos of international unions.

The philosophy of the international unions did not challenge capitalism. Rather, these unions sought to exploit the greater industrial bargaining power of skilled workers to win higher wages, shorter hours, and job control. Part of their strategy was to control the supply of labour, which led them to strongly defend "exclusive jurisdiction" and oppose "dual unionism." But they primarily relied on collective bargaining with employers, which was usually conducted by union locals (assisted by the international). The resulting agreements covered only a plant or, in the case of the building trades, a city. Bargaining was thus highly fragmented and decentralized, more comparable to that in Australia during the 19th than the 20th century.

⁵⁵Harold A. Logan, *Trades Unions in Canada: Their Development and Functioning* (Toronto 1948), 81.

⁵⁶Logan, *Trades Unions in Canada*, 84; Mary Lou Coates, David Arrowsmith and Melanie Courchene, *The Labour Movement and Trade Unionism Reference Tables* (Kingston 1989), 20.

⁵⁷Jacques Rouillard, *Les Syndicats Nationaux au Québec de 1900 à 1930* (Québec 1979), 226.

The craft-based internationals, however, did not completely neglect the realm of politics. They supported the establishment of city labour councils, provincial federations of labour, and the TLCC. The main function of these bodies was to lobby their respective legislatures for regulations and laws advantageous to labour. Union demands expressed a social democrat (labourist) *projet de société*, envisaging the reform rather than the abolition of capitalism. They were supportive of democratic values and institutions, they promoted nationalization of public utilities, and they sought social programs, educational reforms, and legislation protecting workers.⁵⁸ Many social and labour laws beneficial to the working class were adopted under pressure from these inter-union bodies.

The political ambitions of the craft unions did not mean that they sought to control society, but that they wanted "to participate more effectively as a class or at least as a powerful interest group" in its evolution.⁵⁹ They certainly did not support the establishment of a separate political party to promote the interests of labour. They saw such a strategy as divisive for unionists, with the potential to create tensions which would weaken them at the bargaining table. Political choice was seen as the personal affair of unionists rather than a collective responsibility. Following the lead of the American Federation of Labor (AFL), the only advice these unions gave to their members during election campaigns was "to reward their friends and punish their enemies."

Despite this dominant approach, many Canadian unionists favoured more direct political involvement along the lines of the British model. Some of them stood as candidates in elections and the TLCC supported the idea of a separate labour party in 1899, 1906, and 1917, but it left the setting up of the party to the provincial sections and the initiative was stalled by the lack of interest among international unions.

These competing philosophies were particularly obvious in policies towards state involvement in the bargaining process and dispute settlement. At the end of the 19th century, there was support from some union leaders for state intervention to protect unionism and promote collective bargaining and the TLCC passed resolutions advocating voluntary or compulsory arbitration. However, the growing influence of international unions in the Congress led to a new hostility towards state involvement.⁶⁰ When in 1902 the federal government, inspired by the Australian and New Zealand experiences, introduced a bill providing binding arbitration of railway strikes, the union movement (and influential employers) opposed it. The government retreated and the final act mandated compulsory arbitration

⁵⁸Craig Heron, "Labourism and the Canadian Working Class," *Labour/Le Travail*, 31 (1984), 73.

⁵⁹Craig Heron, *Canadian Labour Politics: A Short History* (Toronto 1989), 169.

⁶⁰Paul Craven, *'An Impartial Umpire': Industrial Relations and the Canadian State 1900-1911* (Toronto 1980), 142-9.

without an obligation on the parties to accept the outcome.⁶¹ In 1907, the *Industrial Disputes Investigation Act*, which governed disputes in certain public utilities (such as coal-mining, transportation, and telegraphs) until World War II, forced compulsory conciliation, but the reports of tripartite boards set up to investigate disputes were not binding on the parties. Even then, unions soon expressed dissatisfaction with the operation of this act and the TLCC demanded its repeal in 1916. The skepticism of the international unions towards state involvement in labour disputes was related to the experience of unions in the US, where the neutrality of governments and courts in labour relations was highly suspect.⁶² These circumstances cemented voluntarism into Canadian union policy. The Canadian unions thus adopted a different strategy from their Australian counterparts, a strategy which was clearly influenced by the different industrial and political contexts in which they operated.

The Industrial Unions: The second wave of unionization in Canada came towards the end of the 1930s. Again, Canadian developments closely followed those in the US, where some international unions began to question the value of craft organization in mass production industries like rubber, electrical goods, steel, automobiles, and meat packing. These unions, which promoted the organization of workers by plant rather than by trade, were expelled from the AFL in 1937 on the grounds that they were fostering "dual unionism." In 1938 they formed a new federation, the Congress of Industrial Organisations (CIO). With the help of more sympathetic state intervention, in the form of US President Roosevelt's Wagner Act of 1935, they quickly went on to organize several million new workers.⁶³

⁶¹Jeremy Webber, "Compelling Compromise: Canada Chooses Conciliation over Arbitration, 1900-07," *Labour/Le Travail*, 28 (1991), 15-57; Richard Mitchell, "Solving the Great Social Problem of the Age: A Comparison of the Development of State Systems of Conciliation and Arbitration in Australia and Canada," in Gregory Kealey and Gregory Patmore, eds., *Canadian and Australian Labour History* (Brisbane 1990).

⁶²As in Australia, the US faced a severe economic depression in the early 1890s and disastrous strikes shook the labour movement. As well, employers enjoyed the assistance of state and local governments in defeating the strikes and they used court injunctions to prevent strikes, picketing, and boycotts. Many labour leaders demanded that the AFL take the lead in developing an independent political movement, but the AFL followed a different path to that of the Australian movement. It kept its non-partisan approach, with its leaders continuing to believe that governments were dominated by capital and that governments should be kept out of collective bargaining. For Samuel Gompers, the president of the AFL, compulsory arbitration and compulsory investigation were "an infringement of the workers' most sacred right, the right to withhold their labor"; see Bruno Ramirez, "US Responses to the Canadian Industrial Disputes Investigation Act," *Relations Industrielles*, 29 (1974), 546. See also, Gerald N. Grob, *Workers and Utopia: A Study of Ideological Conflict in the American Labor Movement* (Chicago 1969), 169-86.

⁶³Three years after its creation, the CIO had gained half of the AFL's membership; Department of Labour, *Labour Organisation in Canada*, 1936, 178-80 and 1940, 179-81.

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Initially, the CIO unions had no intention to move into Canada, but their success in the US prompted many Canadians to follow their example, often under the guidance of skilled communist organizers. Under pressure from the AFL, the TLCC expelled CIO-affiliated unions in 1939. In the following year, the expelled unions joined with the remnants of a purely Canadian federation, the All-Canadian Congress of Labour, to form a new federation called the Canadian Congress of Labour (CCL). By 1945, four of Canada's ten largest unions were internationals affiliated with the CIO: the United Steel Workers of America, the United Auto Workers, the United Mine Workers of America, and the United Electrical, Radio and Machine Workers of America.

Increases in union density in Canada in the late 1930s, however, were only slight at a time when union membership was booming in the US. The big growth in Canada came later, during the war, as a result of job shortages and wartime regulations which gave new state support to unionism and collective bargaining. In particular, in an effort to gain the support of unionists for the war effort and in response to increased militancy, the Canadian federal government issued order-in-council PC 1003 in 1944. This order, which subsequently became the cornerstone of private sector labour relations in Canada and the general model for provincial legislation, was based closely on the American Wagner Act of 1935. It protected for the first time the right of Canadian employees to choose freely a union to represent them and compelled employers to "bargain in good faith" with that representative. It also provided a board to determine the appropriate "bargaining unit," to certify as bargaining agent the union which gained majority support within the unit and to investigate "unfair labour practices." Unlike the Wagner Act, it made conciliation of disputes compulsory, it forced delays to strikes or lockouts, and it forbade strikes during the term of a collective contract. Subsequent arbitral and court decisions furthered union protection by, for example, allowing compulsory check-off of union dues.

Although the new legal framework imposed restrictions on union activities and did not compel the parties to come to agreement, it provided a major stimulus to union organizing, especially by industrial unions recruiting less-skilled manual workers. Total union density rose from 16 per cent in 1940 to 28 per cent in 1951 and 31 per cent in 1961, most of the increases coming from the organization of industrial workers.⁶⁴ By 1949, the changing shape of the Canadian union movement also saw a decline in the proportion of unionists in construction (down to 8 per cent) and railway trades workers (down to 15 per cent), and sharp increases in metal (up to 14 per cent), wood (8 per cent), mining (up to 5 per cent) and clothing (up to 4 per cent).⁶⁵

The success of the new industrial unions impacted upon the older craft unions affiliated with the AFL and the TLCC. Many realized that their survival depended

⁶⁴Labour Canada, *Union Growth in Canada, 1921-1967*, 78.

⁶⁵Logan, *Trades Unions in Canada*, 81.

on opening their ranks to semi-skilled and unskilled workers in the mass production industries and they set about organizing campaigns. As a result, the organizational bases of the craft and industrial unions converged. In America, the AFL and the CIO merged in 1955. Their Canadian counterparts, the TLCC and the CCL, followed suit in 1956 to form the Canadian Labour Congress (CLC). The CLC thus became the sole peak organization representing Canadian unions at a national level. Its powers over affiliated unions were limited, however, and its main functions were to influence federal legislation and represent Canadian labour in international trade union organizations.

The expansion of CIO-affiliates in Canada reversed an earlier trend towards greater independence of Canadian unions from their American counterparts. By the 1950s, the percentage of Canadian unionists joining international unions had recovered from a low of 54 per cent in 1936 to 70 per cent.⁶⁶ The exception was Québec, where the membership of internationals was closer to 50 per cent. The gap between Québec and the other provinces arose from the presence of catholic unions that developed quickly in the 1930s due to their less rigid craft structure.⁶⁷ After World War II, they became more militant and strongly critical of the conservatism of the provincial government. The CCCL gradually gave up its denominational character with the adoption of legislation in Québec close to the Wagner Act and more competition from the CIO-affiliated unions. It changed its title in 1960 to the Confederation of National Trade Unions (CNTU).

The rise of industrial unionism in the 1930s and 1940s produced some important changes in union strategy. First, the traditional opposition of the craft unions towards state intervention fell away. The industrial unions, with their large unskilled membership and their relatively weak bargaining position, needed more support from the state. They therefore brought demands for a greater role for the state in economic development, social programs and union-management relations. The success of the new legal framework in encouraging union organization also dampened traditional suspicions of state bias.

Second, the CCL-affiliated industrial unions pursued a new political agenda. The CCF was born in the 1930s with a program modelled on the British Labour Party. Its pro-labour policies and its increasing electoral support during the war years brought pressure to bear on both TLCC and CCL delegates to abandon their neutrality towards political parties. The TLCC resisted and kept its policy of individual political choice for unionists, but the CCL at its 1943 convention endorsed the CCF as the "political arm of labour in Canada" and recommended that all affiliated unions join the party. The CLC continued to endorse the CCF in later years and actively participated in the formation of the social-democratic NDP, which took the place of the CCF in 1961.

⁶⁶Coates, *et al.*, *The Labour Movement*, 20.

⁶⁷Jacques Rouillard, *Histoire du syndicalisme Québécois* (Montréal 1989), 168, 210.

The efforts to organize unskilled and semi-skilled industrial workers boosted the unionization of women, many of whom were concentrated in labour-intensive manufacturing industries. Since the beginnings of industrialization, female workers were largely underpaid and endured the worst of working conditions. The craft unions neglected them because of their lack of identifiable skill and their transiency in the labour market. They were usually very young, entering the labour force for a few years before they married. The prevalence of domestic ideology also did not help: the first role of women was seen to be household duties and their paid work only contingent to the economic responsibility of men to support the family.⁶⁸ This mentality, also largely prevalent among male unionists, gradually changed with increasing participation of women in the labour force and the extended unionization of women in manufacturing industries during and after World War II and in the public sector during the 1960s and 1970s.

Public and Para-Public Sector Unionism: The mid-1960s saw the sudden emergence of unionism amongst mainly white-collar workers in the Canadian public sector (that is federal, provincial, and municipal governments) and the "para-public" sector (that is teachers and health care workers). These workers were previously organized into professional associations, but they had been denied collective bargaining rights and had stayed outside the mainstream union movement. With the exception of Saskatchewan, provincial and federal governments had argued that the services of these workers were "essential" and that bargaining with civil servants was incompatible with the sovereignty of the state.

By the 1960s, disenchantment with this situation was growing among public employees: the public sector was growing more quickly than the private sector, eventually reaching one quarter of the workforce in 1975; public sector wages and working conditions were falling far behind the unionized private sector; and "the general climate of social change characteristic of the 1960s" led young workers, who were more heavily represented in the public sector, to challenge authority and the status quo generally.⁶⁹

This last element was especially important among the newly militant public service employees in Québec, who led the way with illegal strikes in 1963 and 1964. Two years later, the Québec government granted the right to bargain and even the right to strike to all civil servants, teachers, and hospital workers (except the police and firefighters). At the national level, the postal strike of 1965 was similarly effective. The success of these strikes had an enormous effect on other public sector workers; two years later the federal government passed legislation

⁶⁸Ruth Frager, "No Proper Deal: Women Workers and the Canadian Labour Movement, 1870-1940" in Linda Briskin and Lynda Yanz, eds., *Union Sisters: Women in the Labour Movement* (Toronto 1983), 44-64.

⁶⁹Allen Ponak and Mark Thompson, "Public-Sector Collective Bargaining" in John C. Anderson, Morley Gunderson and Allen Ponak, eds., *Union-Management Relations in Canada* (Toronto 1989), 374 and 379.

extending to its employees not only collective bargaining rights, but also the option of striking in the event of disputes. All other provincial governments soon extended bargaining rights, although not always the right to strike.

The rapid and massive move by public sector workers to exploit these new rights led to significant increases in union membership. Given the stagnation of unionism in the private sector at the time, this trend changed both the size and the composition of the Canadian union movement. Total union density grew from 32 per cent in 1961 to 39 per cent in 1979.⁷⁰ By 1978, half of the 10 largest unions were from the public and para-public sectors and they made up 38 per cent of total union membership.⁷¹ The membership surge in the public sector was the main source of the growing divergence between unionism in Canada and the US.⁷² It also brought a shift away from the old dominance of male, blue-collar unions towards a more prominent role for female, white-collar, and professional organizations. The proportion of women joining unions almost doubled between 1965 and 1980, rising from 17 to 31 per cent.⁷³

The new public and para-public sector unions were overwhelmingly Canadian-based unions and their rise contributed to the decline of the international unions. As well, the traditional blue-collar industries in which the internationals recruited (namely, natural resources, manufacturing, and construction) failed to expand and growing Canadian nationalism in the 1970s saw an increase in disaffiliations by Canadian sections from international unions.⁷⁴ The proportion of total union membership in international unions fell from 70 per cent in 1966 to 45 per cent in 1981.⁷⁵ These declines reflected the changing balance of power within the CLC. From its 1974 convention, the Canadian national unions, led by those from the public and para-public sectors, gained increasing influence. This trend alienated the internationals and in 1982 14 international unions in the building trades (representing over 300,000 members) left the CLC to form a rival congress, the Canadian Federation of Labour. Officially, the schism was blamed on the failure of the CLC to discipline the Québec Federation of Labour, which fostered "dual unionism," but the underlying cause was hostility towards the nationalism, the

⁷⁰Coates, *The Labour Movement*, 18.

⁷¹Pradeep Kumar, *From Uniformity to Divergence: Industrial Relations in Canada and the United States* (Kingston 1993), 19.

⁷²Kumar, *From Uniformity to Divergence*, 23-31; Craig W. Riddell, *Unionisation in Canada and the United States: A Tale of Two Countries* (Kingston 1992); Leo Troy, "Convergence in International Unionism etc. The Case of Canada and the USA," *British Journal of Industrial Relations*, 30 (1992), 1-43.

⁷³Coates, *The Labour Movement*, 32.

⁷⁴Colin Jonathan Dawes, *The Relative Decline of International Unionism in Canada since 1970* (Kingston 1987), 39 and 52.

⁷⁵Coates, *The Labour Movement*, 20; Labour Canada, *Directory of Labour Organisations in Canada* (Ottawa 1992), 7.

radicalism, and the political involvement of the CLC under the influence of the public unions.⁷⁶

During the 1960s and 1970s, the public sector unions influenced the strategies of the Canadian union movement in two main ways. First, they pursued their industrial goals with greater militancy. There was a surge of strikes from 1966 to 1984: the average number of work stoppages tripled compared to the previous 15-year period (from 265 to 800) and the time lost increased four-fold. Unknown in the 1950s, some of these strikes occurred in the public and para-public sectors even if their right to strike was formally controlled by laws and procedures. The public sector accounted for about 15 per cent of these stoppages and 19 per cent of time lost between 1966 and 1984.⁷⁷ Their new militancy produced substantial improvements in wages and fringe benefits which concerned governments and private sector managers, who feared their impact on private sector settlements. It was estimated that a wage premium of between 5 and 15 per cent accrued to public sector workers over their private sector counterparts during the 1970s.⁷⁸

Second, the public sector unions supported the earlier trend initiated by industrial unions towards greater political action and more state intervention in economic and social affairs. In particular, they defended a continued commitment to the NDP, which had begun to achieve some electoral success. At the provincial level, NDP governments were elected in Manitoba in 1969, in Saskatchewan in 1971, and in British Columbia in 1972. These regimes rewarded union support with revisions of the legal frameworks governing collective bargaining in both the public and private sectors.

In Québec, the massive unionization of public and para-public employees also transformed the union movement, which radicalized at the end of the 1960s. The province became the region with the highest rate of strikes in Canada and the three main centrals (the CNTU; the Quebec Federation of Labour, which was affiliated with the CLC; and the Corporation des enseignants du Québec, a teacher organization) developed harsh critiques of the capitalist system. From 1972, all employees in the public and para-public sectors negotiated jointly every four years with the provincial government in an arrangement known as the "Common Front." This strategy was sometimes punctuated by general or sectoral strikes which improved union bargaining power. From 1960, the three union centrals also shared the desire for greater autonomy for the provincial government in the Canadian federation. Their nationalism evolved in the 1970s towards greater support for the political independence of Québec.

⁷⁶ *Canadian Labour*, April 1981, 11; Desmond Morton, *Working People* (Toronto 1989), 318.

⁷⁷ Robert Lacroix, *Les grèves au Canada: causes et conséquences* (Montréal 1987), 66-7.

⁷⁸ Morley Gunderson and W. Craig Riddell, "Provincial Public-Sector Payrolls," in Melville McMillan, ed., *Provincial Public Finances: Plaudits, Problems and Prospects* (Toronto 1991), 181.

Comparative Summary

The early development of the Australian and Canadian union movements displayed some strong similarities. Both, for example, saw the emergence in the mid-19th century of craft unions amongst skilled manual workers reflecting the influence of bigger, older nations; Britain in the case of Australia and the US and Britain in Canada's. At the turn of the century, both countries also had broadly similar levels of union membership and union structures. Significant differences, however, were already in the making. The Australian colonies had seen strong union growth among non-craft workers, peaking in early 1890, and then the almost complete defeat of these new unions in a series of major industrial disputes. These events had a profound impact on Australian unions and the strategies they pursued — an impact which more clearly emerged in the following century. Canada had not seen the same spread of unionism outside the craft unions nor had it experienced the same cathartic effect of major industrial defeats.

These emerging differences between the two union movements grew into significant divergence in the 20th century. The single most important source of divergence was the new political and industrial strategies of the Australian union movement and the consequent role played by the state in industrial relations. After their defeats in the 1890s, the Australian unions sought, and very quickly achieved, greater political influence through a new and separate party of their own making. The ALP's success, along with other factors, brought more sympathetic state policies towards unionism, the most important example being the introduction of compulsory arbitration. Compulsory arbitration overcame the difficulties unions had experienced in gaining recognition from employers, it encouraged union membership and it provided a state-sanctioned regulatory mechanism. Australian governments also accepted unionization and bargaining in the public sector. In the context of such state policies, Australian union membership grew to levels far beyond those in Canada. Especially important was the extension of unionism to industrially weak groups, such as white collar workers in the public and private sectors, who remained unorganized until the 1960s in Canada.

Compulsory arbitration in Australia affected union structure in contradictory ways. Small unions with limited bargaining power were able to prosper in a system which granted at least some concessions without tests of strength. There was little incentive to amalgamate to form larger, stronger, and better financed unions. Compulsory arbitration also offered the potential for more centralized bargaining structures. On the one hand, this shifted the locus of union activity beyond the shopfloor to the union state branch and the arbitration courtroom, thereby weakening workplace organization. On the other hand, as the century unfolded, the growing importance of national arbitration cases over working hours and wages forced the unions to co-ordinate their activities and develop stronger peak organisations. By the end of the 1970s, the ACTU had still not assumed ascendancy, but it was a far more authoritative organization than that established in 1927.

In Canada, the continuing dominance of craft unionism under American leadership hindered moves towards more effective political strategies. State support for unionism and collective bargaining was thus delayed until the 1940s, despite the flirtation with compulsory conciliation and arbitration in the first decade of the 20th century. When it finally came, state support was of a very different form to that in Australia. The Wagner-type system of labour law certainly promoted union membership, but it reinforced the decentralized bargaining structures which predominated before World War II. As Canadian unions became less reliant on American leadership and more politically active in the 1960s, further gains were made, especially in Québec and in those provinces where NDP governments were elected. The much belated recognition of unions and bargaining in the public sector in the 1960s contributed to further union growth and stronger independence from the American influence.

These trends suggest that by the end of the 1970s the divergence between Canadian and Australian unions which became apparent from the early years of the 20th century was narrowing: unions in the two countries were moving along increasingly similar paths. Canadian union membership was growing closer to Australian levels; they had established close links with a significant political party in a manner not dissimilar to the relationship between Australian unions and the ALP; and they enjoyed a degree of state support (or at least acceptance) in the private and especially the public sector, which allowed them to achieve greater organizational stability and to expand the regulation of wages and working conditions. A continuing difference between the two union movements, however, was their capacities to sustain strong national federations and centralized bargaining structures.

Union Structure and Strategy in the 1980s and 1990s

During the second half of the 1970s and the early 1980s, the organization and strategies of unions throughout the Western developed world were challenged by the end of the long post-World War II boom. New competitive pressures in increasingly globalized product markets, stunted economic growth, persistently high unemployment, structural shifts in employment, a resurgence of managerial assertiveness, and unsympathetic political developments were just some of the imperatives which commonly produced declining union membership and decreasing union power. Neither Australia nor Canada were immune from these pressures, but the two union movements survived better than most. In this way, the fates of both Australian and Canadian unions were atypical, albeit in different ways.

Unions and the Accord in Australia

The Australian union movement undertook a major reassessment of its goals and strategies during the 1980s. The outcome was a union movement in the 1990s which was very different to that twenty years earlier, even if the changes were sometimes contradictory. The dominant manifestations of this transformation were a newly authoritative and proactive national peak organization in the form of the ACTU and a new political strategy involving a closer, corporatist relationship with the federal ALP in government, known as the Accord.

An understanding of these trends and their significance in terms of both Australian history and comparisons with Canada must begin with the broader context and the pressures this placed on the union movement. After the initial recession in the mid-1970s, the Australian economy experienced two major depressions in economic activity in 1982-83 and 1990-93, which brought massive increases in unemployment to over the 10 per cent level. These traumatic cyclical trends, however, were ultimately less important than longer-term structural changes in the Australian economy which were unfolding over the same period. Australia's traditional reliance on agricultural and mining products for export income became increasingly unsustainable as commodity prices declined and agricultural protectionism affected competitive pressures in these markets. This placed new pressures on Australia's manufacturing industries which had become introspective and inefficient behind the tariff barriers that had protected them from international competition since the turn of the century. The recession of 1982-83 demonstrated the weaknesses of the manufacturing sector, but exchange rate and balance of payments crises in the middle of the 1980s proved an even more powerful incentive for change.⁷⁹

The political response to these pressures in Australia was different to that in many Western countries because of the success of the ALP. It continuously held office at federal level from 1983 until 1996, and during the 1980s it also formed governments in most of the states. The broadly social-democratic platform of the ALP and its strong links with unions ensured that the process of change was more gradual and the substance of reform was more pro-labour than in many comparable countries, but at the same time many public policy initiatives undertaken by the ALP government would not have looked out of place in the overtly deregulationist, free market regimes of Thatcher in Britain, Reagan in the United States, and Mulroney in Canada. Tariff protection for manufacturing was jettisoned in the name of greater competition, the transport and communications sectors experienced significant deregulation, some public sector organizations were "corporatized" or "privatized," and there were important changes to regulation of the labour

⁷⁹John Ravenhill, "Australia and the Global Economy," in Stephen Bell and Brian Head, eds., *State, Economy and Public Policy in Australia* (Melbourne 1994).

market.⁸⁰ The influence of "economic rationalists" in the bureaucracy and free marketeers among employers, as represented by the Business Council of Australia and more extreme members of the "New Right," was evident in such policies, especially after 1986.⁸¹

In this economic and political context, union membership suffered significant declines. A new measure of union density, derived from labour surveys rather than returns from trade officials, traced the decline from 51 per cent of employees in 1976 to 38 per cent in 1993.⁸² As in Canada, union membership in the public sector retained its strength far better than the private sector. In 1982, union density in the public sector stood at 71 per cent and that in the private sector at 38 per cent; these had declined to 67 and 29 per cent respectively by 1992.⁸³ One influential study argued that about one half of the total decline could be explained by changes in industry and employment mixes, while the other half appeared to reflect a decline in workers' willingness to join unions.⁸⁴

Despite these membership declines, or perhaps because of them, the union movement demonstrated a new unity during the 1980s behind an ACTU which enjoyed far more authority than it had attained in earlier decades.⁸⁵ The fracturing and then decimation of political parties on the left, including the once powerful Communist Party, and the decline of right wing groups like the Democratic Labour Party reduced ideological conflict. ACTU Congresses, which had previously witnessed scenes of factional warriorhood became tranquil displays of consensus.⁸⁶ As a result of mergers with ACSPA and CAGEO, the ACTU claimed a new representativeness, bringing together blue- and white-collar unions in a way which was internationally remarkable. Structural changes to the Executive reduced fragmentation on state grounds and incorporated all major national unions into the inner

⁸⁰Paul Kelly, *The End of Certainty* (Sydney 1992); Michael Keating and G. Dixon, *Making Economic Policy in Australia* (Melbourne 1989); Brian Head, ed., *Deregulation or Better Regulation? Issues for the Public Sector* (Melbourne 1991).

⁸¹Michael Pusey, *Economic Rationalism in Canberra* (Cambridge 1991); Braham Dabscheck, *Australian Industrial Relations in the 1980s* (Melbourne 1989), Ch. 6; Trevor Matthews, "Employers' Associations, Corporatism and the Accord: The Politics of Industrial Relations," in Bell and Head, eds., *State, Economy and Public Policy in Australia*.

⁸²Australian Bureau of Statistics, *Trade Union Members, Australia*, (Catalogue No. 6325.0). The traditional measure of union membership based on union returns did not report the same level of membership decline; see Australian Bureau of Statistics, *Trade Union Statistics, Australia*, (Catalogue No. 6323.0).

⁸³Australian Bureau of Statistics, *Trade Union Members*.

⁸⁴David Peetz, "Declining Union Density," *Journal of Industrial Relations*, 32 (1990), 197-223.

⁸⁵Gerard Griffin, "The Authority of the ACTU," *Economic and Labour Relations Review*, 5 (1994), 81-103.

⁸⁶See, for example, the observations of a long time commentator on the ACTU: Ross Martin, "The ACTU Congress of 1987," *Labour History*, 53 (1987), 122-9.

circle of ACTU decision-making. The ACTU attracted a new level of funding from its constituents, allowing it to employ directly an unheralded bevy of research and industrial staff. As well, building on the basis laid by Bob Hawke in the 1970s, a young, well educated and astute group of the officials, especially Secretary Bill Kelty and President Simon Crean, led the ACTU with a new effectiveness.

One aspect of the unions' response to the economic imperatives and membership declines was to reform their own organizational structures. From the mid-1980s, the ACTU led a push to reduce the number of unions in Australia and introduce a new focus on recruitment and organizational campaigns.⁸⁷ While there were genuine doubts about the completeness and likely effectiveness of many subsequent amalgamations, the number of unions in Australia fell from 326 in 1986 to 188 in 1993.⁸⁸ The old craft jealousies and organizational jurisdictions were by no means dead, but these structural changes went far beyond anything previously attempted, let alone achieved, by Australian unions.

Australian unions also adopted new industrial and political strategies during the 1980s. Under the leadership of the ACTU, they broadened their objectives and attempted to become more proactive and better co-ordinated in their campaigns.⁸⁹ An early example of this was the negotiation of the first Accord agreement. After several years of discussions, the unions finalized this political exchange with the federal ALP just before the March 1983 election which brought the party to power under the leadership of Bob Hawke.⁹⁰ The essence of the exchange was an incomes policy: unions promised to co-operate with an ALP government, especially by acting with restraint when pursuing wage increases, in return for the government agreeing to pursue a broad range of policy objectives (from economics and industry development to health and education) jointly determined with the union movement. The details and formality of the Accord exchange subsequently shifted many times in response to new economic and political exigencies, but throughout the unions were able to exercise considerable influence over incomes and wages policy. They were also closely consulted over a wide range of national policy areas.

⁸⁷Peter Berry and Gerry Kitchener, *Can Unions Survive?* (Canberra 1987); Australian Council of Trade Unions, *Future Strategies for the Australian Trade Union Movement* (Melbourne 1987); "A New Year's Resolution," *Workplace: The ACTU Magazine* (Summer 1995), 10-3.

⁸⁸Australian Bureau of Statistics, *Trade Union Statistics*. See also Bradon Ellem, "Solidarity in the Nineties? The ACTU, Costa and Dufty and Union Amalgamation," *Economic and Labour Relations Review*, 2 (1991), 90-113 and Brad Norington and Matthew Russell, "Growing Pains of the Super Unions," *Sydney Morning Herald*, 4 July 1994, 13.

⁸⁹Frank Castles, "Realism and Reality: The Australian Trade Union Movement Seeks a New Policy Stance," *Australian Quarterly*, 60/3, (1988), 308-16; Mark Bray, "Unions, the Accord and Economic Restructuring," in Judith Brett, Jim Gillespie and Murray Goot, eds., *Developments in Australian Politics* (London 1994).

⁹⁰Gwynneth Singleton, *The Accord and the Australian Labour Movement* (Melbourne 1990); Frank Stilwell, *The Accord and Beyond* (Sydney 1986).

The unions' capacity to achieve their policy objectives, however, varied. Certainly, much of the ambitious agenda contained in a later planning document, entitled *Australia Reconstructed*, remained unrealized.⁹¹ The deregulatory, free market policies of the federal ALP government provided further evidence of the unions' failures, while the labour market outcomes (such as declining real wages, massive unemployment after 1989, and increasing inequality in income distribution) led critics to question the value of union influence in incomes policies.⁹²

The unions, again led by the ACTU, also developed new strategies at the industry and workplace levels. Inspired by post-Fordist ideals, they demonstrated a new concern for reform of the productive process and new willingness to work with employers towards greater efficiency within the enterprise.⁹³ The intention was to make the best of a difficult economic and industrial situation. By pursuing such an agenda, unions accepted the need for restructuring but sought to retain a union influence in the reform process and to achieve at least some gains (in terms of better training, better career paths, more interesting jobs, and ultimately higher wages) for union members. This brought innovative wages policies in which the Accord partners attempted, with the aid of the Industrial Relations Commission, to encourage union-management productivity bargaining at industry and workplace levels while maintaining a degree of centralized co-ordination.⁹⁴ Unions also attempted to advance industry development policies in partnership with employers and the state.⁹⁵ The effectiveness of these strategies in protecting the interests of union members varied considerably across industries and workplaces. In a minority of industries and companies, more co-operative industrial relations produced reforms which advanced the interests of workers, unions, and management. In most workplaces, however, management continued to restructure without consulting (let alone negotiating with) unions and their reform agenda focused more on cost-cut-

⁹¹ Australian Council of Trade Unions and Trade Development Council, *Australia Reconstructed* (Canberra 1987).

⁹² Ewer, et al., *Politics and the Accord*; Tom Bramble, "Award Restructuring and the Australian Trade Union Movement: A Critique," *Labour and Industry*, 2 (1989), 372-98.

⁹³ Iain Campbell, "The Australian Trade Union Movement and Post-Fordism," *Journal of Australian Political Economy*, 26 (1990), 1-26.

⁹⁴ The "two tier," "award restructuring," and "enterprise bargaining" wage systems are reviewed in Braham Dabscheck, "The Arbitration System Since 1967," in Bell and Head, eds., *State, Economy and Public Policy in Australia*; see also Bray, "Unions, the Accord and Economic Restructuring."

⁹⁵ Union policies towards industry development are detailed in Stilwell, *The Accord*, 167-71 and Australian Council of Trade Unions, *Australian Manufacturing and Industry Development: Policies and Prospects for the 1990s and into the 21st Century* (Melbourne 1990). Extended accounts of the fate of union ambitions in industry policy include: Stephen Bell, *Australian Manufacturing and the State* (Melbourne 1993) and M. Campling and B. Galligan, *Beyond the Protective State* (Melbourne 1992).

ting through lower wages, reduced employment, and more flexible working hours.⁹⁶

The decline in union membership also led to renewed efforts to attract female members.⁹⁷ The slowness in achieving greater female representation in union positions, however, was recognized by the ACTU in 1993 when it resolved that 25 per cent of positions on its Executive would be reserved for women and that this percentage would increase gradually to 50 per cent by 1999. Efforts to improve the wages and benefits of women workers gained some success, but critics continued to point to contradictions. Despite the emergence of anti-discrimination legislation since the 1970s, unions often failed to exploit the opportunities they offered.⁹⁸ The adverse impact on women of a decentralization in bargaining structures was also raised, especially as the previously centralized structures were largely responsible for the relatively narrow gap between male and female wages in Australia compared to other countries like Canada.⁹⁹

There has been much debate in Australia over how the unions' strategies in the 1980s should be interpreted. Some commentators emphasize historical continuities, arguing that the Accord represents a modification of the traditional "labourist" strategy of the Australian working class.¹⁰⁰ Others disaffected by the strong "economic rationalist" flavour in much national policy see the reign of the Hawke and Keating governments as "betrayals" of the Labor tradition.¹⁰¹ The focus in many of these arguments, however, is more on the ALP government itself than on the unions. An assessment of the unions is complicated by the gap between union ambitions and their achievements. The conclusion reached here is that the 1980s and 1990s represent a period in which Australian unions attempted genuine innovations which broke from the past.¹⁰² The relative unity of the union movement, the acceptance of the central authority of the ACTU, and the efforts to pursue more proactively a wider range of objectives were novel. The attempts to reform traditionally fragmented union structures and to assume some responsibility for the

⁹⁶Ron Callus, *et al.*, *Industrial Relations at Work* (Canberra 1991); Richard Curtain, *et al.*, eds., *Progress at the Workplace: Workplace Reform and Award Restructuring* (Canberra 1992); Mark Short, *et al.*, *The Spread and Impact of Workplace Bargaining* (Canberra 1993).

⁹⁷Berry and Kitchener, *Can Unions Survive?*, 46; Sue McCreddie and Martina Nightingale, "Challenges for Women Trade Unionists," *Social Alternatives*, 12 (1994), 39-42.

⁹⁸Louise Thornthwaite, "A Half-hearted Courtship: Unions, Female Members and Discrimination Complaints," *Journal of Industrial Relations*, 34 (1992), 509-29.

⁹⁹Gillian Whitehouse, "Unequal Pay: a Comparative Study of Australia, Canada, Sweden and the United Kingdom," *Labour and Industry*, 3 (1990), 354-71.

¹⁰⁰This argument comes from both supporters of the Accord (for example, Singleton, *The Accord*, Chapter 11) and critics (for example, Ewer, *et al.*, *Politics and the Accord*.)

¹⁰¹Graham Maddox, *The Hawke Government and Labor Tradition* (Ringwood 1989).

¹⁰²For more detail, see Bray, "Unions, the Accord and Economic Restructuring," and Mark Bray and Pat Walsh, "Accord and Discord: The Differing Fates of Corporatism under Labo(u)r Governments in Australia and New Zealand," *Labour & Industry*, 6 (1995).

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implementation as well as the formation of national, industry, and workplace policies were also new. The failure of the unions to realize these goals was partly attributable to forces beyond their control (such as the poor economic times, the conservatism of employers, and the rise of economic rationalist ideologies), but it was also caused by the inability of the unions to overcome the strictures of their own past. The new ideas and approaches tended to come from the top (that is the ACTU and national union leaders) downwards and they failed to impress many middle-level union officials, rank and file members, and non-unionists. The long neglect of recruitment and workplace organization made it difficult at these levels to overcome traditional occupational and factional jealousies, suspicions of co-operation, and undeveloped negotiating skills.

Union Structures and Strategies in Canada

The fate of the Canadian union movement in the 1980s and 1990s was strongly influenced by unfavourable economic and political trends. Unemployment, for example, was persistently high, with rates never declining below 7.5 per cent and reaching post-World War II highs of over 12 per cent in deep recessions of 1981-82 and 1990-92. Shifts in employment patterns also adversely affected unions. There was an acceleration of a long-term structural trend away from the goods-producing sector to services. In manufacturing, and resources-based industries — the traditional strongholds of the union movement — many of the international unions which traditionally recruited workers in these industries consequently lost members and were forced into mergers. The public sector also shrank, as a result of government privatization and expenditure reduction programs, and cut off what had been an important source of union growth in the 1970s. Ultimately, almost all jobs created after 1982 were in the private services sector (especially trade, finance and insurance, and business services), where unionism had long been weakest.

Canadian politics during the 1980s and 1990s was dominated at the federal level by the Conservative Party government under the leadership of Brian Mulroney, which held office from 1984 until 1993. This period was a bad one for the NDP. Although it managed to win government in some provinces, most notably in Ontario, a long-time Tory stronghold, its failures at the federal level culminated in a disaster in the 1993 election, when it retained only nine seats and lost its official party status in the Commons. Faced with ballooning unemployment, which drained public funds into unemployment insurance and social assistance programs and generated growing deficits in public finance, Mulroney led Canadian governments towards neo-conservative, market-oriented solutions. Inspired by Thatcher and Reagan, the government's agenda focused on deficit reductions, privatization, tax reform, cuts in social programs, and a free trade agreement with the US and subsequently with Mexico. The aims were to reduce the role of the state and to support the private sector. The Liberal government elected in 1993 followed similar

policy paths, and indeed was able to implement them with more political success than Mulroney ever enjoyed.

Despite these adverse economic and political circumstances, and in contrast to Australia and many other Western countries, union membership in Canada was remarkably robust. Union density peaked in 1984, at 39 per cent of non-agricultural employment, and subsequently remained relatively stable (in the 36-37 per cent range).¹⁰³ The contrast with the US, where union density declined to half that in Canada, is striking considering that the two countries had exhibited broadly similar patterns of unionization since the beginning of the century. The strength of Canadian unionism was increasing density in the public sector and some private services, which off-set declines in mining, manufacturing, transportation, and construction.¹⁰⁴ The high level of female employment in the former sectors (that is public and private services) and further growth in the participation of women in the workforce led to union density rates amongst women rising steadily throughout the 1980s to reach 41 per cent in 1992. The decline of traditional industries, along with growing Canadian nationalism also led to further declines in the influence of American international unions: their share of total union membership fell from 45 per cent in 1981 to 30 per cent in 1992.¹⁰⁵

This success in membership terms, however, could not disguise the weakened bargaining strength of the Canadian unions throughout the 1980s and 1990s. Canadian employers embarked upon aggressive campaigns to reduce costs and enhance managerial prerogatives. Their agendas usually included some combination of wage and benefit concessions, changes to work scheduling, reductions in job classifications, and relaxation of "restrictive" work rules and practices.¹⁰⁶ Unlike their US counterparts, however, they generally avoided anti-union strategies and instead sought to work together with unions by renegotiating collective agreements to achieve greater "workplace flexibility." Some employers also sought to introduce employee participation programs, like semi-autonomous work groups, quality circles, and labour-management committees, along with allied practices like wage incentive plans, gain-sharing, and profit-sharing.

Given the fragmentation of the Canadian union movement and the decentralized bargaining structure, union responses to this employer offensive varied considerably. But generally speaking, job security became a major concern and more attention was paid to women's concerns, including pay and employment equity, and sexual harassment.¹⁰⁷ Unions tried to improve wages and benefits, but

¹⁰³ Labour Canada, *Union Growth*.

¹⁰⁴ Kumar, *From Uniformity to Divergence*, 36.

¹⁰⁵ Labour Canada, *Directory of Labour Organisations in Canada* (Ottawa 1992), 7.

¹⁰⁶ For a good summary of the literature on employer goals and behaviour, see Kumar, *From Uniformity to Divergence*, 75-89.

¹⁰⁷ Richard Chaykowski and Anil Verma, *Industrial Relations in Canada* (Toronto 1992), 25-7.

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the average wage settlements in the 1980s were generally below the inflation rate. Strikes were rare: the incidence of strikes in the 1980s declined sharply compared to the previous decade, with the number of work stoppages dropping by a quarter and the working days lost by a third.¹⁰⁸ Union response to management strategies of employee involvement through participation programs (like semi-autonomous work groups and quality circles) was mixed, but such concepts were generally received with skepticism.¹⁰⁹ One study of collective agreements showed that concessions were made on wages and benefits, and sometimes a two-tiered wage structure was adopted, but the incidence of these concessions was far less widespread than in the US.¹¹⁰ To date the relative strength of the Canadian labour movement has prevented any fundamental alteration of the industrial relations system as has happened in the US, where a very large "non-union system" has supplanted the collective bargaining system in many sectors of economic life.¹¹¹

On the public policy front, unions rarely succeeded in resisting the implementation of the neo-conservative agenda. Their opposition to the privatization of publicly-owned corporations (like Air Canada, Canada Development Corporation, Teleglobe Canada, and the Potash Corporation) failed to prevent government policies being implemented.¹¹² Unions fought vigorously against the bilateral free trade agreement before it was concluded with the US in 1989; they believed it threatened Canadian jobs and social programs, and pressured employers to negotiate concessions from unions similar to those in the US.¹¹³ These fears, however, had little impact on the federal government and the agreement was subsequently extended to include Mexico.

Despite these losses, and in marked contrast with the US, Canadian unions were able to retain, if not improve, legislative support for union organization and collective bargaining. With respect to the private sector, this support came through legislative changes allowing check-offs of union dues, the arbitration of disputes over first contracts, and introducing prohibitions on employers using replacement

¹⁰⁸Pradeep Kumar, David Arrowsmith and Mary Lou Coates, *Canadian Labour Relations: An Information Manual* (Kingston 1991), 324.

¹⁰⁹Gary Chaison and Joseph Rose, "New Directions and Divergent Paths: The North American Labour Movements in Troubled Times," in *Proceedings of the IRRRA Spring Meeting* (Madison 1990), 594.

¹¹⁰Kumar, *From Uniformity to Divergence*, 92.

¹¹¹Thomas Kochan, Harry Katz and Robert McKersie, *The Transformation of American Industrial Relations* (New York 1986), 47-80.

¹¹²Mark Thompson and Alan Ponak, "Restraints, Privatisation and Industrial Relations in the Public Sector in the 1980s," in Richard Chaykowski and Anil Verma, eds., *Industrial Relations in Canadian Industry* (Toronto 1992), 313.

¹¹³Pradeep Kumar and Mary Lou Coates, *Industrial Relations in 1989: Trends and Emerging Issues* (Kingston 1989), 35.

workers during strikes. Another important innovation was the gradual accretion of pay-equity legislation.¹¹⁴

In the public sector, collective bargaining legislation continued to be supportive, but the bargaining rights of public sector workers were undermined by periodic wage control programs and back-to-work legislation. This trend began in 1982, when the federal government statutorily limited wage increases in the public service and Crown corporations to 6 per cent and 5 per cent in the following two years. Nearly every province followed suit and unions stopped work in both jurisdictions. The governments won the day, demonstrating to unions and politicians alike that militant opposition to public restraint programs was difficult to sustain.¹¹⁵ In 1991, the federal government and some provinces implemented another round of wage controls designed to reduce public expenditure. The perception of employment security among federal public sector workers was finally shattered when in 1993 the federal government announced the abolition of 45,000 positions. At the provincial level in 1993, unions were further shocked by the decision of the NDP government in Ontario to save \$2 billion (Cdn.) and avoid a large deficit by passing sweeping legislation to roll back salaries and benefits in universities, hospitals, and municipalities as well as the civil service. Improperly, or perhaps ironically, called a "social contract," these measures included a compulsory wage freeze for three years and up to twelve days per year of unpaid holidays. Union opposition did not extend to major stoppages of work, reinforcing the impression that public employees were no longer at the forefront of union militancy, but the majority of unions withdrew their support from the NDP government and it lost office in the 1995 election.

Canadian union strategy towards tripartite policy formation on important national economic issues was very different to that in Australia. The federal government first sought a voluntary accord over wage restraint with unions and employers in the late 1960s and again in 1974. Unions denied responsibility for inflation and feared that labour would lose in any such deal. Consequently, CLC leaders refused to co-operate in 1969, while in 1974 they offered conditions which the government could not accept.¹¹⁶ In 1975, the Liberal government unilaterally imposed a three-year program of wage and price controls, which included mandatory ceilings on wage increases. Business cautiously accepted the measures, but the unions vigorously opposed what they considered to be the end of free collective bargaining. After the adoption of these laws, the government called for trilateral "concertation" on economic issues. The CLC responded the following year with a policy document, entitled *Labour's Manifesto for Canada*, which advocated more powers be given to the central labour body in order to enter discussions with business and government over national economic and social policies. Affiliated

¹¹⁴Chaykowski and Verma, *Industrial Relations*, 23.

¹¹⁵Thompson and Ponak, "Restraints, Privatisation and Industrial Relations," 308.

¹¹⁶Morton, *Working People*, 302.

unions refused to grant such powers and the project died.¹¹⁷ This remained the closest the union movement came to tripartism. The limited authority of the CLC over its affiliates (especially in collective bargaining), the strong defence by national and international unions of their autonomy, the decentralized nature of collective bargaining in Canada, and the lack of a broad employer confederation prevented the development of any national tripartite social contract.

The Québec union movement also suffered from the deep economic recession of 1981-82 and the high unemployment that followed. Nevertheless, union density remained high, around 40 per cent, while the level of strikes, the highest in Canada during the 1970s, fell so deeply that working days lost per employee were below the Canadian average in the 1987-1991 period.¹¹⁸ These trends reflected a transformation in the union centrals in Québec, which underwent more dramatic change in rhetoric and strategy than those elsewhere in Canada. They gave up their global condemnation of the capitalist system and promoted co-operation and "conflicting concertation" with management to achieve greater efficiency. Collective agreements showed that unionists were ready to accept wage concessions and greater flexibility in work arrangements in order to secure employment guarantees. In an effort to promote peaceful labour relations, the Liberal provincial government supported long-term collective agreements (six years) in return for employment guarantees and participatory programs. Finally, the Québec Federation of Labor was especially proud of the originality of its "solidarity fund," which invested in firms to create and maintain jobs. Funded by generous government-sponsored tax breaks, it holds capital of over \$1 billion (Cdn.).

Politically, the labour movement was at the forefront of the campaign for Québec independence after the failure of the Meech Lake Accord in 1989. The three main union centrals favoured a referendum on the sovereignty of Québec and endorsed more or less clearly the Parti Québécois in the provincial election of September 1994. The victory of this party, even if not as emphatic as expected, meant that a referendum was held in 1995, which failed narrowly. The resources of the union movement were used extensively in the independence cause.

Comparative Summary

In the context of the deep economic problems and social changes of the 1980s and 1990s, Canadian unions defied the international trend and maintained their membership base, while Australian unions experienced significant decline more in line with other Western nations. The result was the confirmation of a trend which began in the 1960s and 1970s: aggregate union density figures in the two countries converged.

¹¹⁷Roch Denis, "État fédéral et syndicalisme," in Y. Belanger and D. Brunelle, eds., *L'ère des Libéraux* (Québec 1989), 284.

¹¹⁸Ministère du Travail, *Les relations de travail en 1993* (Québec 1993), 38.

The structure and strategy of the two union movements, however, continued to differ. The 1980s and 1990s saw Australian unions transform their organizational structures and become more unified behind a newly authoritative central federation, while Canadian unions retained their traditional structures and reproduced their historical divisions. The continuing sources of disunity in the Canadian movement included the waning but still significant influence of the American international unions which were jealous of their autonomy in collective bargaining; regional and cultural differences, especially in Québec; the still prominent labour relations jurisdictions of the provinces; and the decentralization of collective bargaining. The divisive impact of these factors was all but absent in Australia.

The new unity of Australian unions allowed them to grasp strategic opportunities which had previously been unavailable to them and to entertain novel reform policies. The opportunities came from the sustained political success of the ALP and its willingness to embrace corporatist co-operation with the union movement.¹¹⁹ The unions' new policy position both accepted a responsibility for national economic and social success generally and acknowledged that industrial relations institutions should be reformed, albeit gradually. In contrast, Canadian unions were denied similar opportunities and they maintained a more traditional policy position. Their political partner, the NDP, did not enjoy the electoral success of the ALP and even when NDP governments won office at provincial level, they rarely sought corporatist co-operation from their union supporters. One major effort at such, in Ontario, failed dismally. Consequently, Canadian unions focused their energies on maintaining the integrity of their conventional labour laws and collective bargaining system. Their relative success in this endeavour is demonstrated by comparison with the political failures of unions in the US and the substantial routing of collective bargaining there.

Despite the differences in structure and strategy between Australian and Canadian unions, a difficult question remains: has the more centralized, politically successful, and innovative Australian union movement achieved better outcomes for unions and their members than its Canadian counterpart? Without embarking upon detailed quantitative comparisons, it is clear that both union movements suffered defeats as well as victories during the 1980s and 1990s, albeit in different spheres of activity. For all their political achievements, Australian unions lost many policy battles and their Accord partner introduced many neo-liberal reforms (such as deregulation, privatization and decentralization of labour market institutions) which were not significantly different to those embraced by Canadian governments less sympathetic to the union cause. The political strategy of Australian unions is vulnerable to changes in the complexion of the federal government which will test

¹¹⁹It should not be forgotten that these opportunities were in part created by the unions themselves. Their new unity and the effectiveness of the ACTU made them more a attractive partner in corporatist arrangements, while the Accord contributed to the political success of Labor governments.

union unity and the new authority of the ACTU, while Canadian unions have at least survived more difficult political times. The declining membership of unions in Australia and their continued weakness in the workplace contrasts with the relative stability of membership and workplace strength of Canadian unions. And yet despite their apparent industrial strength, Canadian unions were forced to make many bargaining concessions of a kind similar to those made by Australian unions. The real effect of different union structures and strategies is, therefore, difficult to assess.

Conclusions

The account of 20th century unionism in Australia and Canada contained in this paper has attempted to combine an appreciation of the historical process by which unions developed within each country with comparative analysis. The obvious, but unenlightening, conclusion is that the two union movements are remarkably similar: as Martin argued, the differences between them are more differences of "degree" than of "kind." But this does not make the comparison any less important or less interesting.

At the level of description, the paper suggests that the differences between the two union movements have ebbed and waned during the 20th century. They were probably more similar at the beginning and end of the period, while a divergence between them grew in the intermediate period, especially between the 1900s and the 1960s. Explanation of these differences is inevitably complex and many factors were considered significant. Apart from the attitudes, choices, and struggles of union members and leaders, external factors which were important include the different geographies, demographics, and economic structures of the countries, the influence of other nations and cultures (like Britain, the US, and France), and the different organizations and policies of employers. However, the explanatory factors which have received most attention in this paper reflect the analysis of Ross Martin: it is the relationships between unions, political parties, and the state which seem to shed most light on the differences between Australian and Canadian unions.

The decision of Australian unions in the 1890s to pursue independent political representation and the early electoral success of the ALP led to the introduction of compulsory arbitration around the turn of the century. This form of state intervention into industrial relations gave Australian unions an advantage over their Canadian counterparts and their membership levels began to diverge significantly. Compulsory arbitration also affected the type of unions which flourished and their strategies. On the one hand, the state's comparatively benign protection allowed unions with relatively weak industrial strength (recruiting both less-skilled manual workers and white-collar workers) to gain both employer recognition and a role in labour regulation. The direct encouragement of public sector unions by ALP governments helped here. The growing authority of the federal arbitration system

over its state-level counterparts also encouraged unions to overcome the regionalism which characterized their origins and establish more effective national co-ordination. On the other hand, the continued operation of compulsory arbitration produced a union movement which focused its energies more on arbitration court rooms and political arenas than in the workplace.

Canadian unions, under the strong influence of the American internationals, remained narrower in organization and strategy until a substantial number of them supported the CCF and the introduction of state protection in the 1940s. The subsequent expansion of union membership and political activism brought the Canadian unions closer to the Australian model. This trend continued after the 1960s when public sector unions contributed to further membership growth, greater autonomy from the American labour movement, and increased support for political activity. However, a continuing difference between the Australian and Canadian movements was the lack of centripetal forces bringing Canadian unions together behind a strong, central federation. Again, the state was important. The level and type of state intervention in industrial relations which emerged in Canada, in terms of the continuing strength of provincial governments and the Wagner-style bargaining framework, served to encourage rather than discourage the historical tendency towards fragmentation and decentralization.

The 1980s and 1990s confirmed this analysis. Despite the growing appreciation among Canadian unions of the need for political action, their political allies failed to gain office and when they did, as in Ontario in 1991, they proved to be less sympathetic than the unions had hoped. The unions were thus forced to address the challenges of the 1980s and 1990s industrially. In the absence of a strong peak organization and centralized bargaining structures, this meant resort to the traditional instrument of collective bargaining in a period when employers enjoyed considerable power. Canadian unions were clearly on the defensive and they were forced to make many concessions, but their (limited) political successes in at least maintaining the effectiveness of the labour law framework meant that they achieved a great deal more than their counterparts in the US.

In contrast, Australian unions honed their political strategies in the 1980s. Their more effective central organization and the electoral success of their political allies offered potentially greater rewards than those enjoyed by Canadian unions. In addition, Australian unions engaged in a process of collective introspection which produced new organizational structures and innovative strategies. The capacity of the compulsory arbitration system to sustain centralized industrial regulation also promised much. The returns to the Australian unions did not, however, match the potential they promised in both the public policy and more traditional industrial arenas. Like their Canadian counterparts, they were often disappointed with the responses of their political allies, their organizational innovations did not resolve some of their traditional industrial weaknesses, and the combined influence of employers and economically rationalist governments forced

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changes to the arbitration system which began to undermine the advantages it offered to unions. In this way, the different paths taken by Canadian and Australian unions, encouraged as they were by different political relationships and forms of state intervention, may in the end have produced broadly similar outcomes.