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## 10 LABOUR MYTHS



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Mankind has always been plagued by myth and superstition. There was a time when most people believed that the Earth was flat, and the Moon made of green cheese. There was a time when "witches" were burned at the stake, and "doctors" used leeches as a cure for every ailment.

We like to think we live in more enlightened times today. But myths still dominate the thinking of many people — and nowhere more pervasively than in the world of labour relations.

Most Canadians are labour illiterates. They accept as truth numerous lies and distortions about unions that have no more

factual basis than those superstitions of the past that they now ridicule.

But a belief in labour "bogey-men" is no less ridiculous than a belief in witches or demons. A belief that unions are harmful to our economy is no less preposterous than a belief that the Earth is flat.

The truly intelligent and open-minded citizen will make an effort to find out the truth about unions. This brief examination of the 10 most widely accepted labour myths may serve as a learning tool in that re-education process.

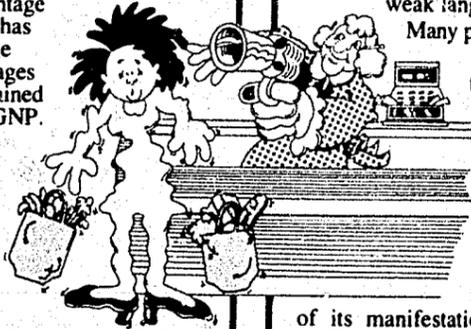
### **Union-won wage increases are the chief cause of inflation, so controls on wage increases will keep down the cost of living.**

If this myth hasn't been permanently punctured by our experience with wage controls (1975-1978), it never will be. During that period, average wage settlements were reduced to less than one-third their pre-controls level. If wages really are the chief factor in inflation, that should have produced a sharp drop in prices. But it didn't. Prices kept skyrocketing, forcing most workers to take cuts in their real income. The truth is that wage increases do not cause price increases.

Wages go up as a response to rising prices. That has been the finding of every objective, scientific study. Most economists would agree with economic columnist Dian Cohen's statement: "There has not been a shred of evidence . . . that wages have added anything to the Canadian rate of inflation." Over the past 50 years, total labour income, as a percentage of the Gross National Product, has fluctuated only a few percentage points — proving that rising wages and salaries have simply maintained their usual share of a growing GNP.

Wages are continually subject to restraint through the machinery of collective bargaining, compulsory conciliation, and legal restrictions on the right to strike. Unlike other forms of income — profits, stock dividends, rents, professional fees — wage levels

must be set through negotiations with employers. The only fair (and effective) form of wage control is price control. If limits were enforced on price increases, it would automatically lower workers' needs and expectations, and they would gladly settle for correspondingly lower wage hikes.



### **Labour-management conflict can and should be replaced by labour-management co-operation.**

As an ideal, this is quite acceptable. But unfortunately we live in a society that is based on competition, not co-operation: a society in which we are all supposed to compete with one another for our respective shares of the national income. That's the underlying principle of private enterprise.

No doubt the jungle, too, would be a much better place if the animals would stop hunting and killing one another. Given their nature, however, the suggestion that the lion and lamb lie down together is not very practical. Particularly not for the lamb.

The world of industry and employment is also a jungle, a world in which the strong prosper and the weak languish.

Many persons in both unions and companies wish it were otherwise. But they are trapped in the present system. They know that it will take a complete reversal of basic beliefs, and the abandonment of our entire economic philosophy, before a change to labour-management co-operation can take place.

Conflict is built into the present system, and strikes are simply one of its manifestations. As long as the relationship between management and labour is based on their respective power, the extent of that power will occasionally be tested — if only because so many employers refuse to take workers' requests for better pay and working conditions seriously unless they are willing to strike for them.

**The public is not represented in — and is the innocent victim of — strikes by workers in the public sector.**

Unions in the public sector have to bargain directly with government officials or their agents. Who are these officials representing if not the public?

The mandatory conciliation process, along with the other legal rituals that must be followed before a legal strike can begin, are all imposed by government in the name of the public.

Public employees are exactly what their label implies. They are the public's employees.

They are our employees, and when they go on strike they do so for the same reason employees in the private sector go on strike because they are dissatisfied with the way we — through our elected representatives — are treating them.

If the services provided by postal workers, by garbage collectors, by hospital workers, by workers in transportation and other key industries are truly essential, why are such workers so often among the lowest paid? If their jobs are so indispensable why are they not treated accordingly?

The public, as an employer, really has no more right to claim immunity from strikes than any other employer who doesn't make an honest effort to treat his workers fairly.

Unions representing public employees have no alternative, when governments refuse to bargain in good faith, than to exercise their right to strike, when its members vote for this action.

People who may be hurt by such strikes should make an effort to look at both sides of the dispute — to determine if their employees' demands are justified. If this is clearly the case, then public pressure should be directed at governments to offer a fair settlement, rather than to enact strike-breaking laws.



**The strike weapon makes unions too big and powerful.**

"Big" and "powerful" are relative terms. In actual fact, most Canadian unions are quite small, and together they represent less than 40% of the country's non-farm workers.

Because collective bargaining usually involves only one union local at a time, most strikes that take place are confined to one community or region.

Even the largest unions in terms of size and resources, pale by comparison with multinational corporations such as Inco, Imperial Oil, or Canadian Pacific.

If unions were even one-tenth as powerful as they are thought to be, they would be able to organize the five million Canadian workers still outside unions. They would be winning more of their strikes and increasing their members' wage rates a lot more than they actually are.

Besides, there's no relation between union size and power and the incidence of strikes. In Sweden and West Germany, for example, 80 to 90% of all workers belong to unions, yet these countries have few strikes — mainly because of the more enlightened policies of their governments and employers.

Granted, strikes sometimes hurt or inconvenience innocent people. But so does almost every form of economic activity. When prices go up, that hurts. When profits are taken out of the country and invested abroad, that hurts.

Anti-union spokesmen ignore the fact that workers are people, too. All they want is a fair payment for their labour — a fair share of the economic benefits which they help to produce. And why, when a strike occurs, blame only the workers and their unions, as if they were the only ones involved? It takes two parties to make a quarrel, and, more often than not in industrial disputes, it's management that is mostly to blame.

**Unions don't need, and shouldn't be given the right to strike.**

Although it's not generally realized, the right to strike is a fundamental right no less important than freedom of speech or freedom of the press. Why? Simply because it is a vital part of the collective bargaining process.

Free collective bargaining is the only instrument that workers have to protect and promote their interests in our economic system. Without that ultimate right to withdraw their labour, they would have no strength to bargain, and would have to accept whatever wages and working conditions their employer decided to impose on them.

The only thing workers have to bargain with is their skill or their labour. Denied the right to withhold it as a last resort, they become powerless. The strike is therefore not a breakdown of collective bargaining — it is the indispensable cornerstone of that process.



**Unions are always making "unreasonable" wage demands**

What is a "reasonable" wage demand?

One that meets the workers' needs? One based on the employers' ability to pay? One that's tied to productivity?

The fact is that nobody has yet devised a workable formula for determining wage increases that would be considered reasonable by the workers, by their employer, by the public, the press and the government.

Besides, most employers — except occasionally when in genuine financial stress — still refuse to open their books to union negotiators.

Unions are thus denied access to the data on profits, productivity and labour costs that they must have in order to formulate "reasonable" demands. The only alternative in our private enterprise society is to go for as much as they think their members are entitled to get.

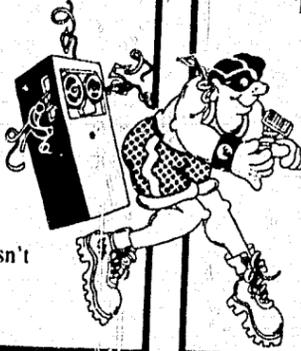
**The right to strike should be replaced by compulsory arbitration.**

Compulsory arbitration has never worked in any democratic country where it has been tried. It has been a dismal failure in Australia, where the incidence of annual strikes is three to five times the Canadian average. It has flopped in both Britain and the United States as well.

When British Columbia introduced compulsory arbitration of labour disputes in 1968, the number of mandays lost through strikes and lockouts in that province quadrupled in the next two years. The B.C. experiment fizzled out shortly afterward.

The Federal Task Force on Labour Relations ruled out compulsory arbitration as an acceptable alternative to the right to strike. "The inconvenience caused by strikes," said the Commission in its historic report, "is a small price to pay for the maintenance of the present collective bargaining system and the basic human rights on which it is founded."

In any event, a ban on strikes is impossible to enforce in a free society. Only in a police state can workers be forced to work against their will. In a free society, compulsory arbitration doesn't eliminate strikes; it merely makes them illegal.



**Strikes are the main cause of low productivity and do irreparable harm to the economy.**

The costs of strikes are greatly exaggerated, amounting on average to the loss of only one-half worker-day a year for each employee.

As the Federal Task Force on Labour Relations pointed out, this is only a small fraction of the time lost through illness, accidents and unemployment.

An effective anti-flu vaccine would save far more working time than the most repressive anti-strike law.

Most companies can now completely offset the loss of production during a strike by stockpiling beforehand and using excess capacity and overtime afterward. Most of the business allegedly lost during strikes is merely deferred. This is borne out by strike studies showing that most business firms affected by strikes have been able to maintain their annual production norms.

There is no reliable standard for assessing the effects of a strike or the damage (if any) it causes. There is a tendency to quote un-

verified estimates of the daily losses a strike is supposedly inflicting, without taking into account what a struck firm is saving in wages and other operating costs. Isolated cases of hardship are also widely publicized, giving the impression that they are numerous. In this way a strike can be made to appear much more harmful than it actually is.



**Workers in unions are pushed around and often forced to go on strike by power-mad "labour bosses".**

The term "labour boss" was coined to portray the typical union leader as the equivalent of the company vice-president he faces across the bargaining table. It implies that a union officer has the same authoritarian control over his members that the company boss exerts over his subordinates.

In fact, the union leader is elected by the union's rank-and-file members at a convention, and is answerable to them for his or her actions. The members dictate to the leader, rather than the other way around.

The Senate Report on Growth, Employment and Price Stability pointed out that "the Canadian labour movement is, for the most part, as far as any human organization can be from an obedient, boss-directed civilian army . . . The typical union leader is must less a 'boss' than a replaceable politician with a difficult and turbulent constituency."

Unions always conduct membership votes before taking strike action, and a strike occurs only when approved by a clear majority.

It is inconceivable that workers would walk a picket line, in all kinds of weather, sometimes having confrontations with police and strikebreakers, existing on strike pay that is only a fraction of their normal income, if a majority of them were opposed to the strike. It simply couldn't happen.

Most union leaders measure their success by the extent to which they can avoid strikes, and they do manage to settle 95 out of 100 contract negotiations without a strike. But a .950 batting average evidently doesn't satisfy some of the public and the press. Though tolerant of most other imperfections in an imperfect world, they demand perfection from the collective bargaining process.

**Strikes could be eliminated by getting rid of unions.**

Sorry, that wouldn't do it. Workers have been going on strike since the dawn of recorded history, in every civilization, and under all kinds of political systems. Whenever workers' discontent rises to an intolerable level, they'll strike, whether they're building the great pyramids of Egypt, working as potters or goldsmiths in the Middle Ages, or sorting mail in the Twentieth Century. Canada's first recorded strike for better wages — by the fur trade voyageurs at Rainy Lake, in August, 1794, occurred long before the first union was formed in this country.

Modern unions, in fact, through collective bargaining, prevent many more strikes than they initiate. Do away with unions, and the ensuing economic chaos would make current strike disruptions seem trivial by comparison.

