BRITISH COLUMBIA'S NEW REALITY: THE POLITICS OF NEO-CONSERVATISM AND DEFENSIVE DEFIANCE

By

JOHN MACKIE SHIELDS

B.A.(Hons.), The University of Windsor, 1978
M.A., The University of Windsor, 1981

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

in
THE FACULTY OF GRADUATE STUDIES
(Department of Political Science)

We accept this thesis as conforming
to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA
March 1989
© John Mackie Shields, 1989
In presenting this thesis in partial fulfilment of the requirements for an advanced degree at the University of British Columbia, I agree that the Library shall make it freely available for reference and study. I further agree that permission for extensive copying of this thesis for scholarly purposes may be granted by the head of my department or by his or her representatives. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

Department of Political Science
The University of British Columbia
Vancouver, Canada

Date April 24, 1989
British Columbia has long been viewed by social scientists as a laboratory for social and political experimentation. The appearance in the province in the 1980s of what Premier William Bennett termed the 'new reality' and the subsequent Social Credit government's bold new policy directives has led to close scrutiny by the academic community. A debate has begun concerning the nature and meaning of the Social Credit governments' legislative agenda, as well as the character and significance of the forces which have arisen to resist this new political direction. The importance of understanding the changing political climate in British Columbia is evident because, as past practice illustrates, what transpires in B.C. may have bearing upon political developments in other parts of Canada.

This dissertation advances the argument that B.C. politics after July 1983 entered a new era. Social Credit governments, as of this date, departed from the practices of the previous Keynesian consensus, targeting the welfare state and its defenders for attack. The provincial government embraced a neo-conservative solution to the crisis of capitalism. Neo-conservatism abandons pan-class resolutions to 'political' problems, adopting instead a radical and confrontational approach. It attempts to redefine the role of the state in society, seeking the transformation of 'political' questions into private or
economic issues capable of resolution in the marketplace. The province's July 1983 Budget and the 1987 Bill 19, considered herein, are the two prime examples of this rightward shift.

Social Credit's conversion to neo-conservative public policy has met with vigorous extra-parliamentary opposition which arose in both 1983 and 1987 to resist its formative legislation. While the province has long had a polarized political culture, in this 'new era' politics has breached the confines of parliamentary-based struggle and asserted itself in the streets and workplaces. This extra-parliamentary struggle has been marked by shifting strategies and tactics and, I argue, can be best understood as 'defensive defiance' to neo-conservatism.
## Contents

### Chapter 1  The New Political Reality in British Columbia: Struggling Against 'Restraint'

I. The Character and Motivation of Restraint in British Columbia: The Current Debate  

II. Neo-Conservatism in British Columbia: Assessing the Literature  

III. Perspectives on the Extra-Parliamentary Struggle in British Columbia  

IV. Extra-Parliamentary Opposition in British Columbia: Evaluating the Literature  

V. Statement of Thesis  

Notes  

### Chapter 2  The Rise of the Right and the Assault on the Welfare State  

Introduction  

The Rise and Decline of the Keynesian Welfare State  

Neo-Conservatism: Resurrecting the Market and Class  

Response From the Base  

Notes  

### Chapter 3  Staples and State: The Political Economy of British Columbia  

Introduction  

The Structure of British Columbia's Economy: Staples as the Engine  

I. Staples Societies: Some Theoretical Considerations  

iv
II. The British Columbia Economy

The Capitalist State: Contending Interpretations

A Theory of the Advanced Capitalist State Outlined

Conclusion

Notes

133
152
159
165
167

Chapter 4 Politics, Struggle and Public Policy in British Columbia

The Shaping of Politics in a Resource Based Democracy


The Coalition Against the Socialists

Social Credit and the Rise of the British Columbia Economy

Social Credit and Social Spending

The Rise of White Collar Unionism

The Defeat of Social Credit

The NDP Takes Office

Social Credit Regains Power

Conclusion

Notes

173
173
179
190
193
199
203
210
213
218
222
226

Chapter 5 The Politics of Restraint, British Columbia Style

Restraint: Defining a Concept

British Columbia Restraint: The First Steps

The 1983 British Columbia Election

The Restraint Steamroller

Public Sector Unions Targetted

234
234
239
244
248
257
## Notes

### Chapter 8  Labour's Resistance to Bill 19

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>486</td>
</tr>
<tr>
<td>The Responses to Bill 19</td>
<td>488</td>
</tr>
<tr>
<td>Labour's Plan of Action</td>
<td>492</td>
</tr>
<tr>
<td>The Boycott versus the Protracted General Strike: Labour's Strategy Debate</td>
<td>510</td>
</tr>
<tr>
<td>The Bill 19 Boycott and the Solidarity Experience</td>
<td>520</td>
</tr>
<tr>
<td>Conclusion</td>
<td>531</td>
</tr>
</tbody>
</table>

### Notes

### Chapter 9  Conclusion: Neo-Conservative Restraint and Defensive Defiance Considered

**References Cited**

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>556</td>
</tr>
</tbody>
</table>
## List of Tables

<table>
<thead>
<tr>
<th>Table I</th>
<th>Exports of B.C. Products 1952-1980</th>
<th>141</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table II</td>
<td>Distribution of British Columbia Union Membership by Industry 1974, 1983</td>
<td>146</td>
</tr>
<tr>
<td>Table III</td>
<td>Percentage Breakdown of B.C. White Collar Union Membership 1983</td>
<td>147</td>
</tr>
<tr>
<td>Table IV</td>
<td>The Largest Ten Unions in British Columbia</td>
<td>148</td>
</tr>
<tr>
<td>Table V</td>
<td>Percentage of Union Membership for B.C. and Canada 1942-1983</td>
<td>189</td>
</tr>
<tr>
<td>Table VI</td>
<td>B.C. Ministry of Human Resources Expenditures 1956-1980</td>
<td>200</td>
</tr>
<tr>
<td>Table VII</td>
<td>B.C. Provincial Election Results 1966-1983</td>
<td>212</td>
</tr>
</tbody>
</table>
I wish to chiefly acknowledge Philip Resnick, the supervisor of this dissertation, who suggested I explore this exciting area of B.C. politics, and whose unflagging encouragement and suggestions have been invaluable to me. Warren Magnusson, for his insightful commentary, and the other members of my Committee must also receive my sincere thanks. My colleagues and friends, who critiqued portions of earlier drafts, I warmly acknowledge. I am grateful to the S.S.H.R.C. for its generosity. I also thank Hawley Neuert whose support and editorial assistance were central to the completion of this project.
Chapter 1

The New Political Reality in British Columbia: Struggling Against 'Restraint'

In July 1983, British Columbia's re-elected Social Credit government introduced a budget and a package of legislation which generated an unprecedented level of political debate and social conflict in the province. Since that date, academics and other observers and critics of the government have posited their interpretations of what this 'political event' represents. Did it mark the beginning of a radical restructuring of economic, social and political relations in the province, or was this a much less profound development representing a more temporary period of adjustment? What motivated the government's sweeping 'restraint' program? What were the significance and nature of the forces of opposition which arose to resist the state's measures? These are but a few of the questions raised.

It is essential to understand that the government's actions constituted only one dimension of the political phenomenon which developed in July 83, because its actions generated an immediate response in the form of a mass extra-parliamentary movement. There exists a certain symmetry between the government's actions and the opposition's reaction. The dialectic which has occurred between these two opposing forces demands that B.C. politics from 1983 on be analyzed in a holistic manner; that is, both restraint and its
opposition must be examined in concert so that the political phenomenon which emerged in 1983 in B.C. can be understood.

This dissertation will focus upon the B.C. Social Credit government's "restraint program" by first examining William Bennett's 1983 Budget and accompanying 26 bills, and secondly, Bill Vander Zalm's 1987 rewriting of the province's Labour Code with the passage of Bill 19. These two events have been chosen as foci because they introduced the formative legislation which fundamentally shaped the new direction of B.C.'s policy of 'restraint'. As well, the government's actions in each of these periods generated a very active and large extra-parliamentary response from the forces of opposition. An understanding of the character of B.C.-style 'restraint', and the nature and prospects of those opposed to 'restraint', may be best gained through a closer examination of these political conjunctures, undertaken within this dissertation.

I. The Character and Motivation of Restraint in British Columbia: The Current Debate

Numerous explanations have been advanced concerning the motivations behind the Socreds' July 1983 Budget, the accompanying legislation, and the nature of these changes. Possibly, the most effective way to approach this matter would be to break down the explanations into three broad categories; namely the centrist or middle ground accounts, the right's explanation, and the left/neo-Marxist interpretations.
Much of the critique of the government's program has been offered from what may be termed a liberal or a mildly social democratic perspective. The British Columbia NDP argued that "Socred restraint" was, in essence, an act of "vengeance and hostility to the people of British Columbia who had the temerity to not vote Social Credit", to quote Dave Barrett.(1) The NDP further charged that the restraint program would not help to improve the provincial economy but would, in fact, result in a net drain upon it. The government's goal, besides punishing its political enemies, was "plainly and simply" to destroy the programs which were created by the NDP government between 1972 and 1975.(2) The NDP did hint at broader forces behind the Socreds' moves by linking the Fraser Institute and its ideology to the government's actions,(3) but the details of this relationship remain undeveloped in their analysis. Generally speaking, the NDP's centrist perspective, while containing some validity, lacks any analytical comprehensiveness; it remains largely rhetorical.

The other force at the heart of the battle against the government, the Solidarity movement, offered an explanation which could also be faulted for lacking a firm foundation. The Solidarity leadership suggested that its opposition to the Budget was not a case of mere partisan politics. Solidarity argued that what was at the centre of the debate was something much more fundamental, namely a question of "rights which are central to Canada's democratic tradition".(4) In the attempt to build as broad a base of support as possible, they adopted a "middle
ground" perspective from which to analyze and criticize the government. Solidarity maintained that the ideal role of the state was that of an objective mediator for society's varied interests; the government was presented as an institution which had the responsibility to promote the liberal/social democratic goals of equality of opportunity and social justice. Solidarity's attack on the B.C. government rested upon the contention that the Socreds were acting as the agents of big business against the larger societal interests and were consequently violating Canada's democratic tradition. Once again, as with the NDP, the links between the Socreds and the Fraser Institute were cited to substantiate these charges.

Solidarity concentrated its attack upon the government's break with the post-war social contract and its dismantling of social and human rights. The B.C. Federation of Labour, one of the prime components of Solidarity, made the following assessment of the government's motives: "Its theme on the surface is 'restraint for recovery' but it could be more aptly be re-stated as 'strangulation for revenge'."(5) The methods to achieve restraint, and not restraint itself, were questioned. We are again provided with little in the way of analysis about why the government introduced such draconian measures at this time. Solidarity's attempt to avoid projecting a 'radical' image led to a muddying of the analytical waters by its use of broad generalizations concerning attacks upon 'rights', without reference to a larger socio-economic framework.
One source which did attempt to introduce some rigour into the analysis was the B.C. Economic Policy Institute and the Pacific Group for Policy Alternatives. The major conclusion of these bodies was that the B.C. government, in introducing restraint, was not reacting to a real fiscal crisis of the state. They asserted that the Socreds had based their policies upon a series of myths rather than economic facts. In contrast, the Institute claimed that its "policy judgements [were] based on careful analysis of facts, sound economic theories, and values that are widely shared by British Columbians."(6) Their evaluation of B.C. restraint flowed from a Keynesian-inspired perspective. To explain the government's actions, they provided a two part answer. First, the Socreds were attempting to induce an income redistribution. That is, they were promoting a lowering of the incomes of the less well off, while raising the fortunes of the wealthy. Their success in carrying out this policy rested upon the Socreds' ability to twist the right wing language of restraint in a manner which screened their real intentions. Second, the Socreds were promoting economic growth, but it was growth of a particular kind. The government wanted to inspire the growth of new industrial activities based upon cheap labour. This was a strategy that would result in the raising of property values and consequently the bolstering of the incomes of the propertied class.(7)

To defend their position, the Institute and Pacific Group were able to marshall a battery of economic statistics and "facts". What remained absent in their investigation, however, was any
detailed account of the decidedly political and ideological motivations of the government. The academic separation which has largely divided the study of economics and politics in North America was mirrored in the policy analysis of Socred restraint by the Institute and the Pacific Group. We are provided with a solid understanding of some of the 'economic' consequences of the restraint program, but their underlying political motivations remain obscure.

Political Scientist Donald Blake in a 1984 article maintained that the Social Credit restraint program was an "attempt to implement neo-conservative solutions to social and economic problems". But the underlying thrust of his argument was that the prime motivating factor behind B.C.'s neo-conservative revolution was the electoral implication of "public sector bashing". The expansion of the public sector in the 1960s and 70s resulted in the growth of the support base of the NDP, since those employed by the state tended to vote disproportionately for the New Democrats. The long-term self-preservation of the Socreds naturally seemed to dictate their adoption of a strategy to restrict the growth of, or shrink absolutely, the state sector. (8) The philosophy of neo-conservatism offered a set of policies and ideological justifications that neatly fit the Social Credit Party's electoral interests and philosophical disposition.

In a more recent article by Blake and David Elkins, the neo-conservative policy thrust of Socred restraint is examined in more detail. The authors conclude that while "[t]he restraint
program was advertised as something new, and portrayed by the government's friends and foes alike as an attempt to impose a neo-conservative vision on the province", "in retrospect it may appear as little more than a contribution to the continuing rhetorical battle between left and right in British Columbia."(9) The authors question the notion that B.C. was experiencing a neo-conservative revolution on the grounds that the government's share of the economy has not decreased. For example, educational spending has been on the rise and, on the economic policy front, the goal of a high tech future has largely been abandoned for B.C.'s traditional natural resource sector and focus on megaprojects. As well, they point out that the Socred Party, after Bill Bennett's resignation, has shifted to commit itself to consultation over confrontation.(10) The implication is that the pattern of politics in B.C. after 1983 is best described as a continuation of polarization rather than the government's attempt to introduce a totally new agenda.

A.R. Dobell presents a rather different picture. He argues that the Socreds' legislative program can be understood "as part of a move first, to centralize power in an overwhelmingly dominant executive, and second, to make the social climate in B.C. safe and attractive to foreign investment by limiting any sources of countervailing power outside the ownership of property."(11) Dobell regards institutional malfunction, coupled with a mean spirited, conspiratorial government, as the basis for B.C.'s 1983 political crisis. The lack of an effective legislature in the
province meant that there was a breakdown in the link that translated the public will into "reasonable" public policy. In Dobell's view, one must turn primarily, then, to institutional factors in accounting for the Social Credit actions.

The political right has a clear understanding of what the events of July 1983 represent. Canada's intellectual new right is best represented by the Vancouver-based Fraser Institute, which was actively consulted by the government before the 1983 budget. The Institute is "an independent Canadian economic and social research and educational organization." Its stated purpose is "the redirection of public attention to the role of competitive markets in providing for the well-being of Canadians". The Institute's leading figure, Michael Walker, viewed the 1983 restraint package as a "little revolution". The budget represented the first beachhead in the ideological struggle to downsize government. Its importance is that the Government:

... will have, once and for all, altered the environment in which the discussion about public policy occurs and they will have permanently transformed the collective bargaining environment at least ... [for] public sector employers and their employees.

According to Walker, B.C. was experiencing the wholesale rewriting of the post-war social contract that had "given unions special privileges and special rights." Bennett had "turn[ed] on its head ... the accepted notion of what was politically possible and acceptable for governments to do." For the Fraser Institute, then, the Socreds have initiated a social, economic, and political
revolution which is profoundly transforming our society to deal
with an increasingly competitive international environment.

The Social Credit government, to justify its restraint
measures, referred to a "new economic reality"; a reality that
demanded of the government tough and decisive action. According to
Premier William Bennett:

The new reality ... is a global marketplace with
many sources of supply.

The new reality ... means tougher competition for
diminished markets.

The new reality ... means that success will go to
those who can deliver quality and dependability at
competitive prices.

These are not matters of politics or philosophy
--- they are the facts of economic life today. If
we deny them --- we deny ourselves the opportunity
to develop a realistic strategy of response ...
(17)

The motivations for restraint were stated in clearly economic
terms; government actions were presented not as matters of choice
but rather as reactions to an impersonal international environment
over which the province had little or no influence. Restraint,
according to the logic of this argument, was not then the exercise
of politics or ideology, but of economic necessity.

Restraint, however, came about not simply as a result of
external economic factors but domestic considerations as well. The
problems that faced B.C., according to the Social Credit
government, had their origins in the social and economic fabric
created during the 1960s and 70s. During the first period of
prosperity, after the Second World War and through the 1950s,
labour's hard work and real advances in productivity had earned British Columbians improved living standards. These years were followed by massive social reform and a dramatically altered "psychology of prosperity" in the 1960s and 70s. In retrospect these were labelled "years of complacent prosperity" after which it was "discovered quickly and painfully that borrowed prosperity was not tenable." The state had grown too large; the "golden years of economic growth and social reform" had resulted in a regulatory net which began to strangle business. Public expectations of government had become unbridled, and such disruptive forces as public sector strikes were commonplace.(18) This all resulted in a fiscal crisis of the state and a significant long-term decline in the productivity of the private sector. Given this scenario, drastic corrective surgery was clearly required. The solution was to extend the family budget analogy, i.e. the need for balanced budgets, expenditure restraints during economically difficult times, and the like,(19) to the management of government coffers.

Neo-conservative government actions have been justified, then, on the basis of external and domestic economic crises, and not essentially in terms of political decisions. But while this remained the general thrust of the government's line on restraint, another very different theme also emerged. Bennett's Finance Minister, for instance, noted that B.C.'s restraint program is the "leading edge of a trend which other government's are beginning to follow."(20) The importance of political leadership, capable of recognizing the need for restraint, with the courage to implement
it, became another theme echoed by the Bennett administration. Thus, the role of political leadership is regarded as crucial; despite the attempt to de-politicize the crisis and its resolution, we see that political decision-making does emerge as a major element in the government's budget and legislation.

After Bill Vander Zalm took the helm of the Social Credit Party, a change in the party's orientation was indicated. Vander Zalm had centred his leadership race and provincial election campaign around conciliatory themes, emphasizing the need for compromise on all sides and calling for the healing of old wounds. After the election, however, in Vander Zalm's first budget, the theme of continuity with the policies of Bennett's later years was evident, rather than any theme of real pacification. The budget noted that government programs would have to be "tailored to the realities of the late twentieth century"; that the government would not allow itself to be "subject to domination by special interest groups"; and that the government was willing "to make tough decisions in order to move towards a balanced budget."(21) This is the very language of Bennett's "new reality". The government's passing of Bill 19, which completely overhauled the province's Labour Code in the favour of the employer, indicates the harmony between the Vander Zalm administration and 1983.

Analysts on the left have various explanations for the Socreds' actions. Patricia Marchak maintained that the 1983 budget "signalled a sharp departure from the welfare state of the previous three decades."(22) Marchak asserts that ideology is not
the primary factor responsible for the political crisis in B.C.; rather, the ideology of the government only provides the official explanation for the changes occurring. But, beyond this, the importance of ideology is that once it gets established it does operate as a force which in some measure influences or sustains a change in political direction. (23) Marchak presents a structural explanation for the political dominance of new right ideological commitments in B.C., asserting that this situation is a consequence of a more generalized capitalist crisis. (24) Capital, according to this perspective, "imposes conditions for purposes of increasing accumulation capacities. Governments, necessarily supporting the accumulation objectives of capital, are obliged to respond with measures suitable to the anticipated form of restructured capital." (25)

The British Columbia economy, which services the resource needs of industrialized centres, is especially subject to the demands of capital. Marchak contends that the "peripheral state" under capitalism is a reactive mechanism and, as long as it remains the host of large-scale capital, it must cater to those interests. In practical terms, this means that the B.C. state must reduce its level of social services and then redirect these state resources toward accumulation functions. Furthermore, the government must establish conditions which allow for a recasting of the labour force which, by necessity, means a weakening of the position of organized labour. (26) In sum, Marchak regards the motivations behind the Social Credit Party's actions that began in
1983, as the result of forces existing outside provincial boundaries, specifically, a global capitalist crisis and the changing needs of multinational corporations.

Utilizing the theoretical lens of Antonio Gramsci, William Carroll makes the case for the emergence of an "exceptional capitalist state formation" in B.C.; he sees the implementation in the province of a Thatcherite project of "authoritarian populism" or what others have more simply termed neo-conservatism. Carroll's analysis of the B.C. situation is rooted in a debate that raged in the pages of the New Left Review and Marxism Today concerning the character of Thatcherism in Britain.(27) In this debate, Carroll sided with those who argue that Britain is an example of an "exceptional state formation", and he contends that British Columbia is also such a state. There are essentially two aspects to this "exceptional state": 1) a de-regulated economic environment, and; 2) an authoritarian state intervention into social relations, such as the undermining of free collective bargaining and a bias toward 'law and order' campaigns.(28)

Carroll perceives this neo-conservative rise as nothing less than a hegemonic project. By hegemony he means that the dominant class in society maintains its rule not by force but primarily through its ability to transcend its own short-term, narrow interests, to exercise a political, moral, and intellectual leadership of society in a manner which gains it the active consent of those it dominates. This requires that the dominant class forge alliances with other class elements to enable it to
solidify its position as the legitimate governing force. What the Social Credit Party has begun to do in its leadership role in the 1980s is replace the old coalition formed around Keynesian policy solutions with one favouring the ideology and practice of neo-conservatism. Carroll views the period of Socred rule from 1981 to 1987 as marked by "crisis management" in response to fiscal state crisis. This period was marked by indirect strategies by the government against labour, its major source of opposition to the new project, rather than a direct frontal attack upon it. The cementing of neo-conservatism as a monolithic force occurred only in 1987 under the Vander Zalm administration. Carroll offers an analysis which argues that the Social Credit restraint program of the 1980s represents a major change in the political, social, and economic direction for the province. According to this view, a radical transformation of the B.C. body politic, weakening the place of labour, has begun.(29)

While neo-conservatism has been most successful at the national level in Britain and the United States, Philip Resnick observes that in the White Dominions its influence has been most pronounced at the regional level.(30) Resnick has found that there are essentially three factors which help explain why B.C. has proven such an obliging host to this political force. First, the populist tradition and style of B.C. politics "lends itself to the theatrical touch and grandiloquent gesture" of its political leaders. This allowed Bill Bennett to successfully cultivate the image in 1983 of a "tough guy" who was going to provide leadership
for the country on the issue of restraint. Second, B.C.'s business class is marked by a hard-edged, venture capitalist character, which sustains the myth of the self-made millionaire. Given the value system of these resource capitalists, the neo-conservative emphasis upon concepts like the 'free market' and 'individualism' found a ready and sympathetic audience. Finally, B.C. politics has been historically marked by a sharp political polarization, with battle lines drawn around the rhetoric of free enterprise versus socialism. The fact that ideology already enjoyed a prominent place meant that neo-conservative doctrine found a nurturing atmosphere within the province's political playing field. (31)

Unquestionably, in 1983 the B.C. government faced a fiscal crisis generated by the hard economic reality of sharply falling resource prices. But as Resnick points out, other provinces faced similar financial problems without embarking on as extensive a cost cutting program as that of the B.C. Socreds. To Resnick, this proves his contention that the B.C. government was motivated by far more than a state fiscal crisis; it also had a "hidden ideological agenda". (32) While neo-conservatism represents a break with past political practice, in the case of B.C.-style neo-conservatism, certain elements of it are in harmony with the policies of the W.A.C. Bennett era. This era of public policy was one in which mega-projects characterized the state's role in the economic arena and frugality its social and cultural functions. His [W.A.C. Bennett's] was not a laissez-faire version of the state, but one harnessed to the maximization of individualistic
and profit-making ventures."(33) Bill Bennett likewise has demonstrated a preoccupation with mega-project development. As Resnick observes:

... despite the ideology of restraint, there has been a clear willingness by the provincial government to fund infrastructural and economic functions of its own choosing, even while beggaring social services. In this respect, at least, neo-conservatism on the periphery has been less than consistent in its hostility to state spending.(34)

The practitioners of neo-conservatism in B.C. have permitted a more active role for the state in accumulation functions than neo-conservative politicians in core countries, because of the province's peripheral location in the international economy. Where Social Credit restraint stands in unity with Thatcher and Reagan is in the reduction of social spending.(35)

The publication in 1984 of the edited collection The New Reality: The Politics of Restraint in British Columbia represented a significant contribution to the debate surrounding the 1983 budget. The authors claimed that the budget "marked the beginning of the New Right reaction in British Columbia." The reaction was "designed to get the people off the backs of business."(36) The major theme which this work advances is that the "policies of 'restraint' have less to do with simple cutbacks demanded by a period of general scarcity than with a fundamental restructuring of the B.C. economy."(37) They subscribe to the view that B.C. was not in a state of fiscal crisis as the government claimed; however, there existed, and exists, a substantial world economic
crisis which has added to the weakening of the province's core economic base, natural resources. (38) But The New Reality is led to conclude that the Socreds' "formula of 'restraint' both mystifies and justifies a programme that has more to do with dubious political and ideological motivations than with hard economic necessities." (39)

By contrast, Michael Howlett and Keith Brownsey present an argument that is critical of those who focus on the role of the ideology of neo-conservatism in guiding the actions of the B.C. government in 1983. They maintain that this perspective fails to take account of:

... the continuities in the administrative and political history of the province since World War II, and specifically the extent to which the 1983 budget package represented the continuation of an economic and administrative program pursued by the Social Credit government since it regained power in late 1975. Analyses of the 1983 events which concentrate on the theme of a 'New Reality' downplay the historical development of the class basis of the provincial party system, the centralization of the provincial public policy process, and the extent to which the 1983 budget/restraint package represents, not a sudden break with the past, but its continuity with the present. (40)

Howlett and Brownsey attempt to combine a political economy centred analysis with Donald Blake's electoral focus. They note that since 1945 B.C.'s economy was transformed from a competitive staples-based business sector into one dominated by monopoly capital. This industrial transformation opened up a new role for the provincial state, active participation in the promotion of large capital through infrastructural development and other direct
governmental activities. The expansion of the state sector also significantly altered the province's social class structure because it gave birth to an extensive new middle class and a public sector working class.(41) By the end of the 1960s, however, a fundamental contradiction became apparent to B.C.'s 'ruling alliance'. They saw that the expansion of the state sector brought with it these new class forces "whose demands for increased wages, job security, and improved benefits and working conditions threatened to restrict the fiscal capacity of the provincial government to subsidize small and large capital." This set the stage for the beginning of a Social Credit attack on the public sector which drove the public sector working class and new middle class into the NDP's electoral camp. Given these economic and political developments, Social Credit governments, in confronting the "problem" of government growth, could attack not only their "chief economic problem" but simultaneously their electoral opposition. "When viewed against this background, the 1983 budget package does not represent a 'New Reality', but the continuation of the old reality of long-term economic policy and short-term electoral politics in the province."(42)

Howlett and Brownsey present a direct challenge to those analysts who, in giving emphasis to recent events and the role of ideology, conclude that the 1983 budget represents a 'new reality'. Such presentations, they contend, give too much credence to the government's rhetoric and not enough consideration to
actual public policy and "electoral exigencies" within B.C. politics.(43)

II. Neo-Conservatism in British Columbia: Assessing the Literature

As the foregoing discussion illustrates, British Columbia's politics since 1983 has focused upon the theme of struggle. Of course, struggle is a two-sided affair, involving both the forces of aggression and those of defence. In this instance, it is the forces of the right which are ascendant, having placed social democrats, labour, numerous community groups, and others into a defensive struggle to halt or slow the erosion of their rights and interests. This thesis is concerned with an analysis of the struggle to impose 'restraint' in B.C. and the class and social forces which have risen against this political phenomenon.

What are the aims and motivations behind the Socred restraint program, and what is its significance? Analyses suggesting that Socred 'restraint' policies are best viewed as the consequence of the failure of B.C.'s political institutions, or as acts of vengeance directed against opposing elements in society for purely vindictive or electorally motivated reasons, fail to take seriously the government's own explanation of events; that is, the argument that restraint was forced on the government by a new economic reality. This dissertation gives prominence to the role of global economic crisis in B.C.'s new policy direction. Due to the altered economic balance, B.C. is confronted with the problem
of fitting itself into this changing world economy. These structural transformations have, I argue, long-term consequences. And, at the internal level, the decline of B.C.'s resource base also substantiates the Socred claim that a new economic reality now exists in B.C. I contend that the crisis has provided the Social Credit Party with the necessary conditions to implement a new social reality for the province.

On the basis of its findings, the B.C. Economic Policy Institute rejected the government's claim that restraint was a necessity, given the fiscal crisis. But the Institute's rejection rested upon a consideration of short term state fiscal capacities without sufficient appreciation of the longer-term fiscal choices facing the province, or the significant economic transformations which are posing public policy challenges within B.C. The Institute regards the issue from a Keynesian perspective and, while there is an element of truth to its arguments that Bennett used the term 'crisis' to justify his policies, the Institute fails to fully acknowledge the existence of serious structural problems in the global economy, believing, erroneously in my view, that the current crisis is cyclical in nature and resolvable with oldstyle Keynesian prescriptions.

Walker's argument, that 1983 marked a "mini-revolution" to downsize government, while not explored in depth, is convincing. The importance of his argument, I suggest, is his perception that 1983 marks a radical shift in public policy in the direction of Thatcherite and Reaganomic initiatives. I would concur with his
assessment of Socred policies as a reorientation of government functioning, with the regulatory state being superseded by free market values. The shift in public policy from 1983 onward should be regarded as a sharp departure from the past.

Marchak's structural explanation of the rise of the new right in B.C. correctly emphasizes the larger force of international economic transformations upon the B.C. economy and socio-political climate. But the analysis is overly deterministic in its thrust. The state in a peripheral economy like B.C.'s is characterized as a mechanism which is purely reactive to the demands of international capital. In this argument, the dynamic of struggle is omitted. Marchak's argument fails to grant sufficient importance to the state's freedom to formulate policy, leading one to the erroneous conclusion that Socred policies are, in a sense, inevitable.

I advance a structure/action view of the state in this dissertation. While I concur that the state faces real limits upon its actions due to objective economic forces, I argue that there is latitude for movement within this framework. The state possesses a relative autonomy, a scope of action that is affected by the class struggle. The types of options advanced by the state depend, not only upon economic constraints, but upon the influence of the various constellations of class forces in the public arena. While it is true that the state reflects certain class interests, the heyday of the Keynesian welfare state demonstrated a compromise between the various class interests. Capital and
labour, in effect, adhered to an informal agreement of a consensual nature. This era of accommodation, I argue, has come to an end with the policy thrust of 1983. This decisive break with the welfare state consensus reveals the state as an arena of class conflict, rather than one of mutual give-and-take between classes.

An exclusively structural focus seems to belittle the importance of defensive, non-revolutionary struggles. I would argue that Solidarity, as an extra-parliamentary force, indicates that class conflict has been thrust outside the state arena where it was previously contained and resolved, into the street, a momentous change in support of my claim that variations in policy are possible in staples societies like B.C. as a result of class conflict.

The New Reality explanation, also attributes the rise of the political right to the restructuring of the B.C. economy. But the authors suggest that restraint has more to do with political and ideological motivations than with hard economic realities. My argument herein seeks to develop the implications of some of their viewpoints more fully, such as those which emphasize the effect of the economic climate of the 1983 period, and those which identify Socred policies as not simply inevitable but the product of a particular ideological framework. I provide a detailed political economy examination of the province, and its public policy traditions and their alteration, to develop my analysis of these phenomena more fully.
Carroll contends that what we have witnessed in B.C. is nothing less than the rise of an "exceptional capitalist state-formation", i.e. "authoritarian populism". And further, that under the Vander Zalm administration this new right-wing political phenomenon has been able to consolidate itself as a hegemonic force. Carroll's assertions can be challenged on a number of points. Is the label "authoritarian populism" an appropriate one for the B.C. case? Can this new right-wing political phenomenon be described as hegemonic in character? Are the Bennett 1983 restraint measures appropriately categorized as simply a crisis management response? All of these questions must be answered in the negative. The term "authoritarianism", while it grasps the coercive element of neo-conservatism, is too extreme for 'First World' countries. It must be remembered that neo-conservatism operates within a liberal democratic environment. It tests the boundaries of liberal democracies, but without actually breaching them. It is important to accurately grasp the nature of the neo-conservative phenomenon, which I explore herein.

While Carroll is correct that neo-conservatism is dominant, it is not hegemonic. Proof that it is not resides in the Solidarity movement and the Bill 19 struggle. Furthermore, I suggest Carroll has underestimated the crucial, fundamental importance of the 1983 restraint program to the neo-conservative agenda. It was just as important to the neo-conservative restructuring of B.C. society as is Bill 19.
While Carroll views the B.C. restraint policies of 1983 as essentially pathbreaking in nature, Howlett and Brownsey suggest that the so-called new reality is little more than the continuation of the old reality. This notion of the continuity of pre- and post-1983 policies, however, fails to place sufficient emphasis upon the qualitative shift in restraint that transpired in 1983. In the pre-83 period, restraint was much more incremental in nature, while the July 1983 policies introduced a boldness and forcefulness not witnessed in the past. While these authors are correct in that we can perceive some of the roots of 1983 within past Socred policies, they overlook the fact that those policies did not challenge the fundamental philosophy behind B.C.'s welfare state or Labour Code. The values of consensus and balance were not breached. Social Credit policy did not seek to deconstruct social legislation, although it incrementally whittled away at aspects of it, while leaving others untouched. The point I emphasize herein is that the Socreds did not fundamentally seek to alter the essence of accepted social and labour institutions until 1983.

Resnick's position points to some of the factors which made neo-conservatism attractive to the B.C. climate and provides insight into the specific nature of B.C. style neo-conservatism which distinguishes it from its more metropolitan counterparts. These themes are further elaborated on in this dissertation. Resnick points out that neo-conservatism on the periphery has certain features which distinguish it from neo-conservatism in the core countries. In my analysis I address the issue of B.C. as a
staples society, in which the state has been more intrusive, for example in providing aid to capital through infrastructure development. As well, state intervention in labour law has been more pronounced in peripheral societies. The 1974 B.C. Labour Code's support of free collective bargaining, and a reduced role for the state in labour disputes has been altered in a neo-conservative direction. Certain aspects of this change can be traced, however, to previous Canadian labour legislation arising out of the staples-based tradition. The effect of this staples tradition upon B.C. neo-conservatism is explored primarily in my examination of Bill 19.

III. Perspectives on the Extra-Parliamentary Struggle in British Columbia

Having responded to the literature concerned with the rise of neo-conservatism, it is now necessary to explore the various analyses of the Solidarity and Bill 19 opposition elements. Clearly, the nature of the B.C. Social Credit 'restraint' experiment has been hotly debated, while the question of the character and prospects of the broad-based movement which developed to resist the government's actions has also been enveloped in controversy. Social Credit's budget and legislative package in 1983 generated the immediate development of an extra-parliamentary opposition, which marched under the banner of Solidarity. It was a political protest movement unlike any other in the history of the province. The Vander Zalm administration's
introduction of sweeping changes to the province's Labour Code has also generated intense resistance outside the legislature, but the form of this opposition is different from that of the Solidarity period. The complexion and disposition of these movements, and the outcome of their struggles with the government are the subject of dispute within the ranks of labour and academia.

There was no unanimity in assessing the Solidarity movement's achievements, with major differences surfacing between the labour and community group components. Operation Solidarity, the trade union faction, was an organization founded by the province's largest central labour organization, the B.C. Federation of Labour. Operation Solidarity, however, looked beyond its own Federation membership and sought to speak for nearly every organized worker in the province. The Solidarity Coalition, the more community centred section of the protest movement, invited under its umbrella any group or organization in B.C. that opposed the Socred's 1983 budget and legislative package. The Solidarity Coalition was comprised of a broad spectrum of interests ranging from professionals to the unemployed, consumers to small business, environmentalists to ethnic minorities, feminists to the disabled, in short, the so-called community group elements within society.(44)

The titanic struggle between Solidarity and the government climaxed in an escalating public sector strike in November of 1983, which was resolved with the so-called Kelowna accord, only hours before an ultimate and seemingly irreversible showdown was
to occur. The events leading up to this settlement, and the accord itself, have been the topic of heated discussion within the ranks of the Solidarity movement. Organized labour was divided over such questions as the use of the 'political strike' and future directions of the labour movement: whether it should follow the path of social unionism or a business union approach. These debates were kept largely within labour's house, but occasionally they came to the attention of the media.

The Coalition's dissatisfaction with the resolution was less of an internal affair. Many of its spokespeople publicly chastised Operation Solidarity for its failure to consult with its coalition partners, and because of labour's failure to stay on the picket lines until legislation dealing with the community groups' concerns was resolved. Many within the Solidarity Coalition viewed these omissions as a betrayal on the part of the labour leadership. (45)

No one in a position of leadership within the Solidarity movement viewed the settlement as an uncontested victory on their part. The more optimistic assessments spoke of Solidarity's gains in terms of limited and symbolic achievements. Art Kube, one of Solidarity's key leaders noted that, despite problems, the organization enjoyed some limited victories. He contended that: "Not only did we take on the government and come out alive, in fact, we fought them to a standstill on several major pieces of legislation". (46) Others spoke of the survival of Solidarity, and the unity which the struggle generated within the labour
movement. Operation Solidarity described the outcome in more global terms:

It marks the first time that a labour movement has effectively stood up to the spread of the reactionary policies fostered by a Ronald Reagan, a Margaret Thatcher or a Bill Bennett. We must view our achievements in that light. Our effective opposition has undoubtedly caused many other governments, especially across Canada, to take a second look at bringing in similar legislation.

Premier Vander Zalm's 1987 rewriting of the B.C. Labour Code ushered forth a second wave of mass resistance. The nature of the active opposition and the strategies adopted were, however, rather different from those of the Solidarity period. The Socred's legislation this time was not the broad, sweeping assault of 1983; it was directed only at one target, labour. The resistance to Bill 19 outside the legislature has consequently been almost exclusively organized by the province's trade unions. The B.C. Federation of Labour claims to be using oppositional tactics that aim to avoid some of the flaws of the Solidarity struggle. First, the bulk of the labour organizations have made no attempt to establish themselves as a political movement in opposition to the government, with their own broad political agenda for the future, as Solidarity did. In this situation, Solidarity established itself as a direct political challenger, largely filling the vacuum left by the NDP's retreat from the struggle. This time, labour was not interested in a direct political showdown with the government, but rather was concerned with winning the battle of public opinion, and thwarting the Socreds through a Gandhian
campaign of resistance to the legislation. This campaign consists largely of an extensive educational drive, and a labour boycott of the new industrial relations councils, coupled with the establishment of their own parallel structures into which they hope to draw business. This represents a long-term defensive strategy, a guerrilla war of civil disobedience. Even the B.C. Federation's successful call for a one day general work stoppage on June 1, 1987 was a decidedly defensive and non-politically challenging move. It was not meant to bring down the government, but to be an act of "political protest", offering vivid demonstration of the strength of labour's feelings and determination to oppose the legislation. The bulk of the B.C. labour leadership are confident it will be successful in the long run.(49)

The NDP, for its part, failed to provide a comprehensive analysis of the massive protest movement which arose in 1983. It looked upon Solidarity as a body composed of essentially political opponents to the Socreds --- labour, government workers, teachers, women, minorities, renters and so forth. These were groups within society which had demonstrated a predilection for voting against the Social Credit Party.(50) Striking a similar chord, Donald Blake contended that: "Operation Solidarity and the Solidarity Coalition are the symbolic organizational representation of the modern NDP electorate."(51) The NDP offered restrained support for Solidarity and, during the formative period of confrontation between the government and the movement, was conspicuously silent.
After the settlement, Barrett maintained that Solidarity had achieved a tremendous victory. As he noted: "Solidarity forced the government to sidestep its own legislation." Barrett strongly rejected criticism of the NDP's absence during this time, suggesting that the NDP's silence gave Solidarity the necessary space and time to grow. (52)

In the debate surrounding Vander Zalm's Bill 19, the B.C. NDP has clearly expressed its opposition. The Party's leader, Michael Harcourt, charged that this legislation was drafted by "some right-wing lawyers, acting for right-to-work contractors and for the most reactionary, ideologically pugnacious parts of the business community." Further, the NDP argued that Vander Zalm has broken his promise to introduce "a fresh start" by ending confrontation in B.C. politics. (53) But, again, the NDP leadership has remained a rather muted presence, failing to address the party's role within organized labour's campaign of resistance to the Bill.

For one analyst of the Solidarity organization, Patricia Nelson, a question arose: why did this movement, so large in its composition and so popular in its cause, fail to "persuade the Government to withdraw the offending legislation?" Nelson also asked, given the pressure Solidarity exerted on the government, why in the end "were its successes so modest?" (54) The role of Solidarity, according to Nelson, was to unite labour with community groups to achieve both the short-term goal of reversing the Socreds' offensive legislation and the long-term goal of
developing "social and economic alternative[s] to the neo-conservative ideology manifested by these changes in provincial public policy."(55) Nelson's explanation of Solidarity's failure to achieve its desired outcome focusses on the internal dynamics of the social movement.

Solidarity was a protest movement which was marked by diversity both in its composition and its viewpoints.(56) While the notion of 'common cause' was the general principle which both the Solidarity Coalition and Operation Solidarity endorsed, the manner in which this idea was interpreted varied considerably between these two elements of the movement. One example of this concerned the uses of strike action. The Coalition sought the achievement of both trade union and social objectives, and believed the Coalition should enjoy a share of the decision-making. By contrast, Operation Solidarity viewed the strike weapon, and consequently any real power, as exclusively within labour's hands.(57)

Solidarity's problem was that the various elements of the movement possessed different levels of status and aims, Nelson concludes. Much of labour's power and prestige within the organization derived from the crucial role the trade unions played in financing the movement and staffing its office.(58) The union's financial and organizational strength created in some, such as the radical feminists, a hesitancy and a deep-seated suspicion of the dangers which a labour bureaucracy could pose to a broadly based protest movement.(59) The posture of the groups differed markedly
as well. In the opinion of some, one element consisted of middle class 'do-gooders' who were 'human rights' oriented but too cautious about the prospect of any connection with such drastic action as the strike weapon. The trade union element visualized Solidarity as essentially a defensive organization. Others in the Coalition saw a more dramatic role for Solidarity in helping to place a sweeping and fundamentally radical socio-economic platform on the public agenda.(60) In short, there existed crucially divergent tendencies between, broadly speaking, labour and the social groups within the Solidarity organization.

These divisions, according to Nelson, made the role of Art Kube vital; he "became the lynchpin between Operation Solidarity and the Coalition." Kube assumed a dominant role because he understood and sympathized with the concerns and vision of the Coalition, and because he held key executive positions both in Operation Solidarity and the Solidarity Coalition. During the strike period, Kube's position became even more crucial since none of the Coalition members were represented in the bargaining body. It fell to Kube to articulate the concerns of the Coalition to the trade union section of Solidarity.(61) Nelson makes the case that the betrayal felt by the Coalition as a result of the Kelowna Accord was in large part the consequence of Kube falling ill during the formative period of strike negotiations, thus severing the line of communications between the labour and community elements of the movement.(62)

In the final analysis, Nelson concludes that:
The Solidarity Coalition happened because people cared enough to get involved and were supported by their remarkable resources of energy, and hope, and the courage of their convictions. It floundered when those resources proved unequal to the task of maintaining cohesion and purpose in the face of organizational contradictions, unforeseen circumstances, and government intransigence. (63)

The government and its defenders defined the extra-parliamentary opposition movement in a rhetorical dismissive manner. Bennett referred to those engaged in the Solidarity struggle as a "special interest group". The government and the province, he argued, could not be subjected "to the tyranny of minority groups who, having failed to elect a government, want to be governed by protest". Bennett claimed it was irresponsible to believe that B.C. could picket its way to prosperity. (64) It was a "protest of reaction" generated by those who had been on the losing side in the last election. (65)

The political protest, in Bennett's view, was a matter of:

... people using the job place, costing people a day's pay, in order to make a political statement from one particular viewpoint.

It's a question now of them looking very bad, that they don't believe in democratically elected governments, that they would abuse legitimate jobs and legitimate organizations in order to force political viewpoints on people who have no choice but to obey. (66)

Cabinet Minister Hugh Curtis, harmonizing with Bennett's tone, claimed that Operation Solidarity was "the coalition of dissent." (67)

B.C.'s business community also engaged in this style of verbal denunciation. President of the B.C. Employers Council, James
Matkin, for instance, charged that Solidarity was a "monster out of control", an organization involved in "guerrilla democracy". Matkin also claimed, a position that the Socreds would subsequently take up, that Solidarity had become a new political party. (68)

Premier Vander Zalm charged that organized labour's campaign against Bill 19 was being orchestrated by "wealthy union leaders" and "high-salaried bureaucrats". The B.C. Federation of Labour had set a political agenda which rejected out of hand any attempts on the part of the government to amend Bill 19. The province's workers were being "urged on by eloquent, powerful, wealthy union leaders to rise in protest" against the government's labour reforms. (69) Nevertheless, Vander Zalm contended that the protests were supported only by a relatively small minority of British Columbians, with about 10% in support of his battle with the unions. (70)

The national neo-conservative lobby group, the National Citizens Coalition, entered the debate surrounding Bill 19 by airing a radio ad the day before B.C. labour was set to stage a one day general strike to protest Bill 19. The ad voiced the National Citizens Coalitions' support for Bill 19 and denounced the actions of the "big unions" as undemocratic. The message ran as follows:

Big unions are trying to bully B.C.'s democratically elected government into withdrawing Bill 19. That's the Bill designed to curb unions that are too powerful. Bill 19 couldn't be stopped by the NDP, the political arm of the big unions,
so now they've called a general strike to shut down B.C. on Monday. Unionized hospital workers are walking out, victimizing the sick. Unionized teachers are walking out, victimizing school children. Unionized ferry workers are walking out, victimizing commuters. Tell the B.C. Government to stand firm against the threats of the big unions and to curb their power. The National Citizens Coalition believes in more freedom through less government.(71)

Bennett's accusation that opponents to his restraint measures were acting undemocratically was a theme which was given a whole new dimension by the Vander Zalm administration. Labour's one day protest strike against Bill 19 brought forth government initiated applications for court injunctions against the B.C. labour movement. The wording of the government's writ was derived "from a section of the Criminal Code of Canada dealing with sedition --- the revolutionary overthrow of government."(72) Then Attorney-General Brian Smith argued that the strike action represented a direct threat to the legislature. As Smith put it:

This strike is an offence against the state not just the Government.
It is an attempt by unlawful means to intimidate the legislative process. The union leaders are attempting to move the making of our laws out of the Legislature and into the streets.(73)

Smith claimed further that the strike was not a political protest but an "illegal conspiracy", and that the work stoppage came precariously near to "a breakdown of law and order."(74) Extra-parliamentary political protest has been described as the actions of "special interest groups", like labour leaders, who are engaged in a breach of democratic institutions and processes.
The most thorough analysis of the extra-parliamentary opposition is found in the writings of left-wing analysts. Historian Bryan Palmer provides the most extensive of these accounts. For Palmer, the rise of the Solidarity movement was "exhilarating" and full of potential, but in the end the Solidarity experience was "debilitating" (75) because the leadership misled the struggle into a "gigantic defeat". (76) The problem did not rest, as Nelson claimed, in a breakdown in the communication links between Operation Solidarity and the Coalition. Palmer contends that from the beginning "there was a resistance to communication of any sort and, in some instances, deliberate feeding of false information to figures in the Coalition." (77) The foci of Palmer's work are the crucial roles played by the labour bureaucracy and social democratic reformism in the downfall of Solidarity. B.C.'s party of social democracy, the NDP, placed its faith and energies solely within the electoral arena. "It has", as Palmer observes, "no sympathy for nor conception of struggle outside of the parliamentary forum." (78) Consequently, the extra-parliamentary Solidarity movement was not embraced by the NDP with enthusiasm, but was regarded with considerable suspicion and fear. Dependable NDP allies could not be counted upon, nor were they forthcoming.

Likewise, the labour leadership in B.C. lacked any perception of the vital importance of working class struggle, and the will to fully engage in it. They had become preoccupied with non-confrontational roads to resolving their disputes with the
The leadership revealed its underestimation of the intensity of its members' opposition to the Socred legislation by declaring that militant action, such as a general strike, was the last thing on their minds. In the end, a decidedly limited agenda of actions against the government and a constrained set of promises to its supporters were outlined by the bureaucratic Solidarity leadership, "all of which were pitched to placate a massive and angry opposition to the budget". But, according to Palmer, even this limited program was not carried out by the overly cautious leadership.

Palmer ascribes the following interpretation to the path followed by the Solidarity leadership. At the beginning of Solidarity's rise, the leadership made efforts to demobilize the movement; later, when it became clear that the membership expected concrete action, the leadership shifted its energies to a limited mobilization coupled with the practice of opportunism. The opportunism was reflected in Operation Solidarity's retreat from the demand that the entire legislative package be repealed. It was also evident in the public sector strike strategy. The leadership, without explanation, moved away from the call for an unlimited general strike and in its place established a timetable for "escalating public sector job action". Provincial government employees were first off the job, followed by the teachers who were perceived to be the "weak link" in the Solidarity chain. Palmer has suggested that the B.C. Federation of Labour executive placed the teachers in this pivotal role during the strike.
escalation to ensure the strike's failure. To everyone's surprise, however, the teachers' strike "turned into an exhilarating success." But, according to Palmer, it was: "[a]t [that] point, as a general strike appeared both warranted and possible, state mandarins and fearful labour leaders began seriously to search out a compromise."(85)

Much of Palmer's condemnation of the labour bureaucracy derives from its failure to call a general strike, which Palmer believed was winnable. Solidarity's problem was "that an opportunistic reformism rode the popular wave of militancy, calling for generalized workplace action only in order to retain credibility, all the while looking for the first opportunity to dismantle the wave of protest."(86) It is clear that Solidarity was "a purely defensive struggle in a non-revolutionary situation that was, in spite of its many limitations, a winnable and crucial battle for the working class and its allies."(87) While a revolutionary general strike was not a possibility, a reform-oriented general strike with more limited aims was.(88) However, Solidarity was sacrificed on the altar of social democratic opportunism and capitulation. The labour leadership displayed a "colossal failure of political nerve and class resolve". (89) "As Solidarity's outcome revealed, there would be no winning hands drawn from such worn cards."(90)

Palmer has not directly assessed B.C. labour's struggle against Bill 19 but it seems clear that for him little has changed.(91) In fact, the labour bureaucracy's failure to show
backbone during the government's initiative in 1983 and the widespread demoralization wrought within the rank-and-file by the defeat of Solidarity has arguably placed labour in an even weaker position. The labour leadership remains thoroughly reformist and social democratic, and for Palmer this leads inevitably to "conciliation and capitulation."(92)

Maurice Rush of the Communist Party of Canada, which was very active in the Solidarity movement, provides a more favourable account of the Solidarity experience. He admits that: "There was widespread disappointment and criticism in the Solidarity movement over the Kelowna pact, and a feeling, shared by the Communist Party, that given the favorable objective conditions, more could have been won." But "while Solidarity did not win most of what it fought for" it did compel the state to retreat from its assault on public sector workers and to moderate some of the social pieces of legislation, and it forced the government to postpone planned Labour Code changes. "On a larger scale," Rush notes, "the major achievement of the Solidarity movement was its demonstration of the power of labor and people's united mass political action."(93)

In contrast to Palmer, Rush contends that these achievements of Solidarity were made possible because the labour leadership abandoned its former "no struggle" policy. It recognized "that it must take extra-parliamentary independent action to defend the interests of its members from the government's right-wing attack." This represented a clear and positive move away from the B.C. Federation of Labour's long-standing policy of restricting "its
political action to electoral support of the NDP." But while "struggle" was placed on labour's agenda, what greatly weakened the fightback campaign was the labour leadership's fear of "militant policies and the rising mass movement, coupled with concepts that unions should concern themselves only with collective bargaining and bread and butter issues and not take economic action in support of their political demands." It was this mentality that ultimately "contributed to the Kelowna agreement."(94) Rush seems to place the public sector unions into a vanguard position, leading the way for the more 'conservative' private sector leadership.

Philip Resnick makes some brief but useful observations upon Solidarity. The movement "was a loose coalition of forces with often divergent interests that could not in and of itself force a newly re-elected government to its knees." Shadows are cast on Palmer's conviction about the likelihood of general strike action, for, as Resnick notes, there are serious questions about the ability of the public sector unions "to sustain a general strike for any prolonged period" since it seemed evident that the private sector unions were not going to join the strike in substantial numbers. Further, given the pattern of the British 1926 General Strike, public opinion very likely would have moved decisively against labour once a fully fledged general strike was launched.(95) Thus, Solidarity operated under limiting conditions.

Solidarity was, however, able to drive two points home, according to Resnick. Through its actions it demonstrated that a
neo-conservative agenda could not be implemented with impunity; labour and community groups could generate enough disruption to tar the province with a risky investment image. And, Solidarity also demonstrated to the rest of Canada that if similar agendas were implemented, a high price would be exacted. (96) The real significance of Solidarity lay in its willingness to engage in struggle. As Resnick notes:

The very fact that B.C.'s political world was divided, that a significant minority of its citizens were prepared to enter into extra-parliamentary opposition, was itself an event of the first importance. It meant that neo-conservatism, B.C. style, was less than hegemonial, and therefore less able to become a successful model for other provinces. (97)

The overriding theme of Solidarity as a limited and defensive reaction to a neo-conservative revolution in B.C. is expressed by William Carroll. Thousands were driven into the streets in the province because the government had placed "their rights and welfare" in jeopardy. (98) The extra-parliamentary response was twofold in nature. The trade union opposition, as embodied in Operation Solidarity, was orchestrated by the B.C. Federation of Labour and was very top down in its structure and process. The unions in the post-war period had been brought under the wing of bourgeois hegemony. This occurrence stifled labour radicalism, as trade unions became steeped in bureaucratism, economism and dependency upon state guarantees for their right to exist and grow. Even in B.C., where a tradition of labour militancy was much stronger than elsewhere, the established labour structure reacted
to the right wing offensive in a manner which was highly defensive and backward looking in its offered solutions. It was not able to provide any visionary guidance.

The Solidarity Coalition, representing the community group segment of the movement, was, by contrast, a much more grassroots organization whose aims and demands stretched beyond a merely defensive posture. The Coalition contained the seeds from which a counter hegemonic force to neo-conservatism could take root. Such a left hegemonic block, however, failed to germinate in B.C. This failure was the consequence of a number of key weaknesses in the left opposition.

First, many of the tensions in the movement were caused by the divergent organizational structures found in Operation Solidarity and the Solidarity Coalition. This situation resulted in communication lapses and breakdowns between organized labour and the community groups, leading to misunderstandings between the two segments.

Second, a fundamental weakness in the opposition was made evident by the very fact that all of the offensive government legislation was given equal priority by Solidarity. Demanding and expecting the government to back down and accept defeat on the entire 'restraint' program was not realistic. A practical political solution demanded compromise, yet the call from Solidarity until near the end remained the withdrawal of all 26 Bills. After the 'Kelowna accord', where a deal was made which inevitably fell far short of Solidarity's original demands, many
felt sold out, especially within the community groups. Tactically and in the interests of long term 'left' unity, the failure to prioritize Solidarity's demands was a mistake, and reflected, according to Carroll, the opposition's defensive character.

Third, there existed a split between the trade union versus the social/political issues. Labour contended that social and political issues could not be bargained over during the strike and, thus, it gave the trade union questions priority. This proved to be a major source of contention after the strike. (99)

Carroll lastly critiques Solidarity's failure to discuss and articulate a social alternative to neo-conservatism. All of Solidarity's energies were given to battling the Social Credit dragon and little if any to setting forth a program of its own. This task was left until after the 'Kelowna accord', when the energies of the oppositional movement were already exhausted. All of these weaknesses within the left's ranks reduced Solidarity's ability to develop its own hegemonic response. (100)

In Carroll's view, by 1987 the result of Solidarity's failures is that the B.C. left has reverted to old Keynesian-style solutions, while neo-conservatism has consolidated itself as a hegemonic force. The opposition to Vander Zalm's attack on B.C.'s teachers and trade unions has resulted in both groups staging one day strikes, a response which is cautious and defensive. The 'political strike' both in 1983 and 1987 has been used as a pressure tactic; never did it threaten the state in a fundamental manner. Both in 1983 and 1987, B.C. was witness to numerous
instances of limited left-wing militancy. Clearly, the left's response remains very far from hegemonic. (101)

IV. Extra-Parliamentary Opposition in British Columbia: Evaluating the Literature

The extra-parliamentary opposition which arose against both the July 83 budget and Vander Zalm's Labour Code overhaul represents a momentous, active intervention of popular forces into the political battle with the state. This struggle of resistance raises a number of pertinent questions explored in this dissertation. Was Solidarity a failure or success? What forces 'conspired' to weaken the Solidarity movement? What was the nature of the relationship between the trade union and community group elements of Solidarity? Did the labour leadership betray the Solidarity struggle? What lessons did government opponents learn from the Solidarity experience? What role was played by, and what limitations existed within, labour's use of the 'political strike'? What are the differences between Solidarity and the 1987 extra-parliamentary struggle? Was labour's response in 1987 adequate to meet the force of the government's actions?

Clearly, serious tensions existed within the Solidarity movement, most especially between organized labour and the community group faction. In explaining Solidarity's very limited successes, Nelson places primary emphasis upon the internal divisions in the movement and the so-called "lynchpin" role of Art Kube. I argue that, while the internal dynamics of a political
protest movement are a key factor in explaining its strengths and weaknesses, Nelson's analysis places too much emphasis upon the influence of one individual and fails to adequately place Solidarity and the sources of its divisions within the larger socio-economic context. The tensions and divisions within Solidarity must be firmly grounded upon both the structural divisions within the movement and in the coalition's material sources of conflict.

The categorization by the government and various business interests of the extra-parliamentary resistance to restraint as little more than 'special interest groups' engaged in political activities defiant of democratic institutions and processes, clearly stands as a self-serving description which fails to recognize the complexity of the extra-parliamentary opposition, and underestimates the ferocity of the government's attack upon these defiant groups. I contend that such categorizations provide us with little understanding of the nature of the resistance to restraint.

Palmer's argument that the labour movement and social groups were betrayed by a set of reformist union bureaucrats lacking an appreciation of the vital importance of class struggle, raises a question that any neo-Marxist analysis of protest movement politics must grapple with. While it is clear that the B.C. union leadership was essentially social democratic and reform minded in its approach, was the bulk of the labour membership any more militant in its outlook? Were the union leaders retarding working
class struggle or were they in fact reflective of where their membership stood? What effect did the differing orientations and operating principles that existed between the Coalition and Operation Solidarity have upon the effectiveness of Solidarity? Would a more militant approach, such as the calling of a general strike, have resulted in a victory for Solidarity, or would it have brought the full weight of the state upon the movement, resulting in decisive defeat? I address these questions, which Palmer never satisfactorily explores, herein. I recognize Solidarity as a decidedly defensive reaction to the government's legislative assault. Palmer's arguments contain too conspiratorial a thrust; due consideration of the divisions within the labour movement and between labour and the community groups is not forthcoming in his analysis, a gap I seek to amend. The impression is that a romantic vision of the working class guided Palmer's study, rather than a more realistic assessment of the actual potential of the movement. Palmer's argument, in the final analysis, becomes a polemic.

Challenges to Palmer's assessment are also offered by Rush and Resnick. Rush observes that the B.C. labour leadership did in fact engage in an active campaign of extra-parliamentary class struggle against the government, although he admits that it was perhaps too constrained. Resnick challenges the notion that the General Strike could have been successfully carried off, given the fickleness of popular opinion in liberal democracies toward political strikes. Both authors suggest that, while Solidarity could not be
considered a success, labelling it a failure is also inaccurate. I concur with their assessment that Solidarity, at the very least, did demonstrate that popular forces in B.C. were willing to wage struggle to oppose a radical right wing political agenda.

Carroll recognizes the limited and defensive character of the opposition to B.C. neo-conservatism. He identifies the numerous displays of militancy which marked both the Solidarity and Bill 19 resistance. But Carroll's concern is the opposition's failure to impose its own program as a counter hegemonic force to neo-conservatism. While I agree that this was a weakness, my concern herein is to provide an assessment of the strategies, admittedly defensive, which challenged the neo-conservative agenda.

I suggest that a new era of politics has arisen, which is in part supported by the government's adoption of neo-conservative policy prescriptions. But it can also be identified by the appearance of mass extra-parliamentary resistance to this policy shift, and by the scramble of 'popular forces' to develop alliances and strategies capable of resisting the erosion of Keynesian welfare state reforms. It must be recognized that the maturity of the welfare state in the latter half of the 20th century resulted in the state becoming the primary focus for the battle over an expanded notion of 'democratic rights'. The mass social movement which developed to oppose the B.C. government's policies in 1983 was reacting to a direct attack on many of the rights which had been embedded into the province's welfare state.
However, this extra-parliamentary movement was reactive in its nature; it sought the preservation of existing social institutions, rather than embracing and pursuing a new 'radical' policy agenda. Consequently, the movement must be analyzed from the vantage point of its defensive and reformist character. It needs to be judged by the yardstick of what its possibilities were, given the movement's limited starting point and resources.

V. Statement of Thesis

My central purpose in this dissertation is to explore the weakening of the welfare state, and the end to the previously accepted norms of consensus politics in B.C. It is my contention that the province's fundamental re-orientation along neo-conservative lines is substantiated by two major factors: first, the decisive and broadsweeping legislation of 1983 and 1987, and second, the development of defensive defiance, that is, extra-parliamentary opposition tactics in the form of Solidarity and the Bill 19 fightback campaign.

Clearly, any explanation of the 'restraint measures' adopted in B.C. must be placed within the context of a changing international political economy. B.C. remains a staples-based economy servicing the resource needs of industrial core countries. Transformations in international capitalism, given the province's dependent position, necessarily have profound effects, not only upon the B.C. economy, but its socio-economic climate as well. But
while B.C. is situated on the periphery of the international capitalist system, it also enjoys a political, social, and to a large extent, domestic economic structure which is reflective of other advanced capitalist nations.

As Alan Cairns has observed, within this structure there exists a complex web of inter-relationships between state and society.\(^{(102)}\) The nature of these relationships was largely shaped by the post-World War II political, social and economic developments. The post-war economic boom brought with it demands by the citizenry that their quality of life be improved through active state regulation. An implicit social contract was struck between the state, capital and labour which called for the growth of the 'service state', free collective bargaining, and state regulation of the economic cycle through Keynesian-inspired management policies. All of this was accomplished within contemporary Western liberal democracies through the practice of 'consensus politics'. The broad framework of this post-war settlement was accepted by all the major political parties.

The post-war economic boom, however, vanished in the recessionary years of the 1970s and 80s. This altered political economy brought forth new political forces which have challenged the socio-economic status quo. The ideology of neo-conservatism has been embraced by those who wish to strike at the heart of the formerly unassailable 'social contract'. Such developments on the right of the political spectrum have altered the political calculus and led to the unravelling of Keynesian-derived politics.
They have had profound effects upon 'acceptable' directions for social and labour policy and the role of government.

The 1983 Social Credit budget marked the beginning of a new era of politics in B.C., one distinguished by intensified polarization. Policy directions by the state sought not to harmonize social relations in the province, but instead encouraged intense societal conflict, as the government set about to attack, disorganize and demoralize potential sources of opposition to its policies. State expenditures for legitimation, which had been used to forge consensus in the post-war years, were reduced, and new strategies for legitimation were developed by neo-conservative politicians. A new emphasis upon the state's role in fostering capital accumulation has arisen. The government, in its effort to nurture private enterprise activity, has been willing to use coercive measures against those social classes and groups which act as obstacles to its policy agenda. While consensual and coercive impulses exist in all liberal democratic states, under neo-conservative regimes the pendulum has shifted decidedly in favour of coercion. But in B.C., coercion has met with a defensive reaction capable of presenting a formidable challenge to the neo-conservative agenda.

2. See: "Research Notes from the NDP Caucus Research and Communications Departments", July 1983 in Larry Kuehn Papers, Box 4, File 6; and NDP Advocate, Vol. 1, No. 1, Fall 1983, p. 1


4. Operation Solidarity, "Speak Up Now! This is An EMERGENCY!" (Leaflet)


7. Robert Allen, "Restraint and Recovery?" Talk delivered at the B.C. Under Restraint Conference, Sponsored by the Committee of Concerned Academics, University of British Columbia, February 24, 1984


10. Ibid., p. 38


13. T.M. Ohashi and T.P. Roth, Privatization Theory and Practice (Vancouver: The Fraser Institute, 1980), cited from inside

15. Michael Walker, It's time to bring unions back to reality", The Vancouver Province, March 18, 1984, p. 26


18. The Honourable Hugh Curtis, Minister of Finance, British Columbia Budget, 1983 (Victoria: Queen's Printer, 1983), emphasis in the original, pp. 3-4

19. Peter Comparelli and Tom Barrett, "Bennett: It could be worse", The Vancouver Sun, July 7, 1984, p. A1

20. As quoted in George Froehlich, "Restraint myths laid to critics", The Vancouver Sun, November 16, 1983, p. B3


23. Patricia Marchak, "Notes delivered to Graduate Sociology Seminar: Sociology 514", University of British Columbia, March 6, 1984

24. Marchak, "The Rise and Fall", p. 4

25. Ibid., p. 3

26. Marchak, "Notes"


Carroll's presentation was based upon a forthcoming article by William K. Carroll and R.S. Ratner, "Social Democracy, Neo-Conservatism and Hegemonic Crisis in British Columbia" (Draft Article, November 1987)

29. Carroll, "Hegemony and Crisis in B.C."


31. Ibid., pp. 26-28

32. Ibid., p.22

33. Ibid., p. 14

34. Ibid., pp. 25-26

35. Ibid., p. 26


37. Ibid., p.20

38. Ibid., p. 21

39. Ibid., p. 20


41. Ibid., pp. 143-144

43. Howlett and Brownsey, "The Old Reality", Studies in Political Economy, p. 166

44. Solidarity Coalition Bulletin, September 15, 1983, pp. 2-3

45. See for example Terry Glavin, "Kube booed at meeting", The Vancouver Sun, Tuesday, November 15, 1983, p. A1; and Jackie Larkin, "The Generals Didn't Strike", Canadian Dimension, Vol. 18, No. 1, March 1984


47. This was the perspective of Cliff Andstein who was the B.C. Government Employees Union chief negotiator during the dispute. Andstein's comments can be found in Rod Mickleburgh, "Solidarity quietly hangs together", The Vancouver Province, July 1, 1984, p. 19


49. These observations were derived largely from an interview with John Weir the Head of the Economic and Community Relations Department of the B.C. Federation of Labour, June 12, 1987

50. NDP Advocate, Vol. 1, No. 1, Fall 1983, p. 1

51. Blake, "The Electoral Significance", p. 40

52. Telex report sent to the B.C. Teachers Federation Office by G.L. Peters of Vancouver East NDP General Meeting, November 22, 1983 in Larry Kuehn Papers, Box 4, File 10


55. Ibid., p. 19
56. Ibid., p. 25
57. Ibid., p. 52
58. Ibid., p. 24
59. Ibid., p. 25
60. Ibid., p. 59
61. Ibid., p. 61
62. Ibid., p. 66
63. Ibid., p. 78
64. As quoted in Stephen Hume, "Bennett shielded as Socreds cheer 'Never backdown'”, Victoria Times-Colonist, October 15, 1983, p. A1
65. Comparelli and Barrett, "Bennett: It could be worse", p. A10
66. Ibid., p. A10
67. As quoted in Froehlich, "Restraint myths laid to critics", p. B3
68. Marjorie Nichols, "Solidarity goons perpetrating terrorism", The Vancouver Sun, November 9, 1983, p. A4; also on the question of the Socreds announcing the birth of the Solidarity Party see The Vancouver Sun, November 16, 1983
69. Frances Bula, "Premier attacks 'wealthy' opponents of Bills 19, 20", The Vancouver Sun, June 8, 1987, p. A1
70. Mark Hume, Jes Odam and Gary Mason, "Vander Zalm takes labor battle to courts", The Vancouver Sun, June 2, 1987, p. A1
72. Hume, Odam and Mason, "Vander Zalm takes labor battle to courts", p. A1
74. As quoted in Hume, Odam and Mason, "Vander Zalm takes labor", p. A1


77. Ibid., p. 73

78. Ibid., p. 53

79. Palmer, "The Rise and Fall", p. 177

80. Ibid., p. 188


82. Palmer, "The Rise and Fall", p. 191

83. Ibid., pp. 192-3

84. Bryan Palmer, "A Funny Thing Happened on the Way to Kelowna", *Canadian Dimension*, Vol. 18, No. 1, March 1984, p. 16. This position was later modified by Palmer who admitted that B.C. Teachers Federation president Larry Kuehn had asked that the teachers be allowed to join the strike fray early. But Palmer also projected that: "It is entirely possible that some trade union leaders, especially those in the less-involved private sector, thought the whole battle would wind down with a failed teacher's walkout." Palmer, *Solidarity*, pp. 65-6

85. Palmer, "The Rise and Fall", p. 194

86. Palmer, *Solidarity*, p. 97

87. Ibid., p. 88

88. Ibid., p. 95

89. Ibid., p. 100

90. Palmer, "The Rise and Fall", p. 200


92. Ibid., p. 103

94. Ibid., p. 10

95. Resnick, "Neo-Conservatism on the Periphery", p. 33

96. Ibid., p. 33

97. Ibid., p. 34

98. William K. Carroll, "The Solidarity Coalition", in Warren Magnusson et. al. (eds.), The New Reality, p. 94

99. Carroll, "Hegemony and Crisis in B.C."; also see Carroll, "The Solidarity Coalition", p.104 with regard to the division between trade union and social issues.

100. Carroll, "Hegemony and Crisis in B.C."

101. Ibid

Chapter 2

The Rise of the Right and the Assault on the Welfare State

Introduction

The economies of the western industrial world have reached a critical stage. The growth and prosperity which came so easily in the 1960s and 1970s have faltered, with the economic crisis of the past two years marking the turning point.

No one --- individuals, business enterprises, trade unions, professional associations or governments --- should take a return to prosperity for granted. World economic conditions have changed, markets have become more competitive, technology is advancing ever more rapidly and traditional jobs are disappearing as new ones appear.

Most difficult of all, our expectations must change. The simple message is that without the vital creation of wealth there will be no means of paying for increased living standards. We can only have the full measure of economic recovery we desire if all members of society recognize, and make a conscious decision to give up, that which is no longer affordable. All must support restraint in the spending of their tax monies.(1)

This passage from British Columbia's 1983 budget starkly places the advent of the province's "new economic reality" within an international context. The problems confronting B.C. are not exclusive to it, but exist as part of a larger crisis within world capitalism. By identifying the current difficulties facing other advanced capitalist states and by tracing the general pattern of capitalist development in the post-World War II period, we can better grasp the nature of B.C.'s present political conjuncture.
Capitalism as an economic and a political system possesses a dynamic quality, meaning it is in a constant process of change. At times, this process is more evolutionary or incremental in its character; at points of 'crisis', however, the alterations within capitalism take on a more dramatic or radical edge, as currently evident in its new neo-conservative direction. A major locus of current alterations within capitalism is social spending. Thus, when analyzing the changes that occurred in advanced capitalist nations over the last number of decades, attention naturally must be directed toward the construction of the so-called welfare state.

The Rise and Decline of the Keynesian Welfare State

The severe economic depression which beset the capitalist world economy in late 1929, and doggedly persisted until the arrival of world war, set the stage for fundamental transformations within the capitalist system. The Great Depression was a profound period of crisis which shook capitalism to its roots. This economic crisis generated such social dislocation that it quickly developed into a political crisis as well. Capitalist nations, attempting to adjust to the new circumstances and end the critical impasse, engaged in wide ranging political experiments, varying from Fascism to Social Democracy. The dominant legacy from this period was, however, the emergence of the modern welfare state in all of the advanced capitalist nations.
In the West, in the aftermath of the Great Depression and the Second World War, the classical laissez-faire doctrine of non-state intervention was laid to rest. There was a fear that capitalism would drift back into deep economic crisis if alterations were not made. It was deemed essential that there be a humanization of capitalism; that the state must provide a shield to protect the people from "the insecurities and hardships of an unrestrained market economy."(2) Both economic and political stability were viewed as essential if economic growth was to be maintained. This required the integration of the working classes into the system. The growing power of the working class had been demonstrated by the rapidly increasing unionization and militancy of labour in the latter 1930s and 40s. As well, governments had committed themselves to giving labour a greater place in the sun in return for pledges of cooperation during the war. Consequently there was a need to forge a new relationship which would provide a better integration of the working class into a reconstituted capitalism.

It was John Maynard Keynes in *The General Theory of Employment, Interest and Money* who provided the ideological justification by which state intervention within modern capitalism became widely accepted. Classical economics had rested on the belief that there existed "natural built-in equilibrating forces which ensured that a capitalistic economy would generate continuing prosperity and a high-level of employment." Economic downturns may, of course, occur but these would trigger reactions
that would soon set the equilibrium right. The Depression of the 1930s, however, undermined the belief in the existence of such equilibriating forces. Keynes set forth a major challenge to this classical paradigm by denying "the very existence of the self-equilibriating forces of the capitalist economy."(3) It must be noted here that to a very large degree the body of thought labelled "Keynesianism" is to Keynes what "Marxism" is to Marx; Keynes' ideas have been used selectively or distorted by policy-makers since 1945.

According to James Buchanan and Richard Wagner's interpretation, Keynesianism held that:

[t]here is nothing akin to the 'well-functioning market' which will produce optimally preferred results, no matter how well embedded in legal and institutional structure. Indeed, the central thrust of the Keynesian message is precisely to deny the existence of such an underlying ideal. 'The economy', in the Keynesian paradigm, is afloat without a rudder, and its own internal forces, if left to themselves, are as likely to ground the system on the rocks of deep depression as they are to steer it toward the narrow channels of prosperity. ... [T]he overall direction of the economy by governmental or political control becomes almost morally imperative.(4)

Keynesianism gave to the capitalist state what could be called a 'legitimation mandate'. It outlined a role for the capitalist state which steered it "clear of the political shoal of conservative laissez-faire" on the one hand, and massive "socialist interventionism on the other."(5)

Keynes was able to sketch a technical solution to capitalism's crisis, one which harmonized a limited form of government
Intervention with the continued dominance of the market. Through the use of countercyclical fiscal measures, high, stable levels of both employment and income could be maintained. Keynesian economics called for demand to drive the economy and to provide the foundation for both increasing wage levels and high profits. By placing the focus upon the need for economic stability to maintain aggregate demand conditions in the capitalist economy, Keynes was able to displace "the need for concern over the organization of production and supply." The conservatives' emphasis upon providing conditions to induce saving and the socialists' stress upon public ownership could be bypassed. Consequently, the ideological struggle around the presence of the government in the economy and society was blunted. Keynesian economics could compel capitalism to function better without at the same time upsetting the "underlying social relationships" of the system. "To a significant extent", as Bob Russell expresses it, "the particular appeal of the new Keynesian policies was to be found in the sense of 'changless change' which they actually embodied."(7)

Perhaps the most important idea advanced by Keynes was the notion that the capitalist economy constituted a positive sum game. In terms of societal relations, this came to mean that it was not in any one group's interest to act as if a zero sum game was in operation. Social classes in society had a direct stake in recognizing and taking each others' concerns and material
interests into account. Claus Offe described the effect of such practice on class relations in these terms:

... the workers must acknowledge the importance of profitability, because only a sufficient level of profits and investment will secure future employment and income increases; and the capitalists must accept the need for wages and welfare state expenditures, because these will secure effective demand and a healthy, well-trained, well-housed and happy working class.(8)

It is in each class's self-interest to accept and obey the rules and institutions established to facilitate inter-class interaction and negotiation. By recognizing and participating in this process, some guarantee is offered that class claims will be acknowledged as legitimate, that concessions will harbor future benefits, and that the sustained economic growth this fosters will provide the material conditions which ensure these compensations.(9)

Keynes' policy prescriptions not only provided credence for the active use of the state in fiscal policy matters but moreover contained a vital social component. The development of an extensive network of social policies came to be justified on the grounds that they contributed to high levels of aggregate demand. "This spending was legitimated, not as charity, but as 'automatic stabilizers' built into the economy to sustain aggregate demand in periods of cyclical downturns." The construction of an intricate welfare state became a key aspect of the Keynesian formula for sustaining a healthy capitalist economy.(10)

The twentieth century can most certainly be called the era of the welfare state. During this time, state involvement in the
areas of education, health, social security and the economy in
general mushroomed in every one of the advanced capitalist
nations. But it has been especially in the period from the 1940s
to the early 1970s, under the aegis of Keynesianism, that the
great bulk of the state expansion occurred; thus it is this time
frame that deserves the label "the golden age of the welfare
state." (11) There is no single statistic which can adequately and
accurately measure the extent and impact of state involvement in
the economy and society of modern capitalism, but one which is
commonly utilized, and perhaps comes closest to this goal, is
government spending as a portion of Gross Domestic Product (GDP). In
the Canadian instance, government's share of the GDP increased
from 15.7% to 26.4% between 1920 and 1950 and by 1983 had reached
the dramatic level of 47.9%. (12) This pattern of state expansion
was not exclusive to Canada but represented part of a general
trend common to all Western democracies. In comparative terms, in
fact, Canada falls into the lower third of developed nations with
regard to level of state spending, especially when it comes to
social spending. (13) Comparatively speaking, Canada is a welfare
state laggard.

The welfare state is, as Irving Howe describes it, a state
that assumes a major and "direct responsibility for the
socio-economic welfare of its citizens." (14) But how can the
welfare state be defined more precisely? It has been described in
a number of ways. A common characterization of the welfare state
is that it engages in large-scale "public assistance through
direct transfers and public provision of goods and services."(15) The emphasis within such liberal notions of the welfare state is upon the use of state power to modify market forces for social ends. The idea of creating the conditions for equality of opportunity is of great importance here. It is a state which enacts regulations "which entitle citizens to certain means of subsistence and some amount of care in case they cannot support themselves by their labour."(16) It does this for a number of purposes: to provide a minimum income for all in society, to allow "the provision of income for certain contingencies, such as sickness or old age", and to provide society at large with certain social services.(17) Although often not given much emphasis in the liberal formulation, the Keynesian, demand-led growth implications of welfare state measures need be remembered here.

In recognizing the economic imperatives of capitalism, Ian Gough provides a much more comprehensive picture of the modern welfare state. For Gough the welfare state consists of at least two sets of state activities:

(i) State provision of social services to individuals or families in particular circumstances or contingencies: basically social security, health, social welfare, education and training, and housing. These may be further subdivided into benefits in cash and services in kind. ...

(ii) State regulation of private activities (of individuals and corporate bodies) which directly alter the immediate conditions of life of individuals and groups within the population. Again we say 'alter' and not 'improve': the effect can be both quantitative, and for 'better' or 'worse' according to some measure of social need.
Such regulation would include taxation policies and a whole range of social legislation from the Factory Acts to modern consumer protection, from building by-laws to the statutory compulsion of children to receive education.(18)

The first of these activities closely corresponds to the limits of liberal definitions of the welfare state. The emphasis here is upon the direct social benefits provided to the population by the state. In the neo-Marxist vocabulary, this aspect of welfare state provision is termed the "social wage". The social wage represents that portion of resources which go to sustain and reproduce the labour force which is provided for directly by the state.

The second activity, however, embraces a different state goal, notably the regulation of the economy and labour market for the benefit of private enterprise, as well as for 'social' ends. Gough alludes here to those aspects of the welfare state which serve to maintain social control, and aid in the process of capital accumulation. Various policies of the welfare state act to contain and channel discontent along avenues which do not threaten to disrupt the capitalist system. Labour legislation can be seen in this light, for it provides the collective bargaining framework for the rational managing of capital/labour relations. It establishes the boundaries within which class warfare may be 'safely' played out. The taxation system mentioned by Gough "is both a lever to help manage the economy and a means to redistribute income."(19) Other welfare state policies serve, in part, to aid capital in its quest to accumulate. Examples of such
measures are occupational training, which provides industry with supplies of skilled labour, and even unemployment insurance, which often serves the needs of capital by maintaining, at state cost, a ready pool of experienced labour which employers may draw on as needed. The welfare state, in other words, acts "(a) to lower the cost of reproducing labour power, and (b) to maintain the nonworking population, thereby ensuring peace and harmony in society."(20)

Such a depiction, by itself, however, is rather mechanical, since the implementation of welfare state measures was brought about as a result of struggles and pressures by subordinate classes. The point is that there are several aspects to the modern welfare state; it is not simply restricted to social ends, such as income redistribution and provision of 'minimum' standards and protections, but also pursues the aim of 'corporate welfare'. The welfare state is a multi-faceted institution and as such contains within it numerous contradictory cross currents.

In a very important respect, the construction of the welfare state should be seen as part of the price of the peace formula created with labour in the post-war period. The adoption of Keynesian policy formulas offered a "pan-class" resolution to the crisis of the 1930s.(21) A 'social contract' was informally sealed between labour, capital and the state which gave recognition to the new power of labour. It represented a class compromise for a more harmonious relationship between capital and labour.
The core elements of this social contract rested upon four pillars. First, the key interests of capital were respected in that decision-making power, in terms of investments, was to be left in the hands of private enterprise. In exchange for this, three major concessions were made to labour. In the first place, commitments were made by the state to pursue policies that would ensure high stable levels of employment and incomes. Second, for those individuals who were unable to fully participate in the labour market, state assistance would be provided, i.e. those aspects of the social welfare state articulated above were sanctioned. And last, there was "explicit commitment [given] by the state to recognize and support the democratic rights of trade unions to bargain collectively to improve the wages and living standards of their members and, in some instances, to participate directly in the determination of public policies."(22)

The emphasis here was upon building a consensus, a consensus which would outline the acceptable boundaries within which political contests were to be waged. Broadly speaking, there were two versions of the consensus, one "which talked about the 'mixed' (i.e. still overwhelmingly private-enterprise) economy, and stressed the liberal, free-enterprise aspect of it", and another which laid stress on the social democratic elements, emphasizing to a much greater degree the state sector, welfare and planning.(23) It was the former version that predominated in Canada.
In political terms, the consensus meant that the major political parties and forces gave acceptance to the Keynesian welfare state. This Keynesian resolution was adopted as the new 'common sense' in the mainstream political community. In the American context, the dominant wisdom was that the extreme political right were, as Daniel Bell had labelled them, "the Dispossessed." The radical right were relegated to a marginal political position. They were the losers who practiced the "politics of frustration."(24) In fact, the 'extremes' of the right or the left were out of bounds, a breach of the "broad consensual centre of American politics." Especially after the decisive defeats of Barry Goldwater in 1964 and George McGovern in 1972, it was held that only 'moderates' could win the presidency. S.M. Lipset concluded that it was extremely doubtful that the radical right could grow beyond its 1953-54 peak.(25)

The election of Ronald Reagan, however, challenged this line of thinking. In a similar vein, the 1979 triumph of Thatcher in Britain and her 1983 and 1987 re-affirmation were a demonstration "that the post-war political settlement, nurtured by Churchill's coalition and brought to fruition by Labour, was now exhausted, and that a new dispensation would have to be constructed upon its ruins."(26) In the Canadian instance, concerns about a consensus disintegration are also being echoed. The 1979 Task Force on Canadian Unity, *A Future Together, Observations and Recommendations*, lamented that: "The rather rough-and-ready consensus which once ensured the reasonably effective governing of
the country is at the point of breaking down."(27) "Clearly, in recent years," the Macdonald Commission reported, "political consensus on social policy has given way to more active ideological debate and uncertainty."(28)

Neo-Marxist scholars, for their part, were equally caught off guard by this rightward thrust. They assumed that the Keynesian welfare state was essential in legitimizing the modern capitalist system, legitimacy meaning here the creation of "the prevalence of attitudes of trust in the given political system."(29) There was a failure on the part of Marxists "to acknowledge the possibility of deintegrative, anti-welfarist claims for legitimacy amidst a budgetary roll-back of the welfare state." In terms of state theory, many Marxist analysts continued to maintain "that the state must legitimate its power by appearing to be the impartial arbiter of class interests". Initially, Marxists, as well as corporatist theorists, seemed unable to explain the rise of regimes like Reagan and Thatcher. Neo-conservative governments "defy the evolutionary logic of corporatist theories, which anticipate both non-conflictual integrative trends throughout Western politics and growing consensus among hierarchically organized groups representing capital and labour." Yet, concern with integrative strategies had rested at the core of most of the neo-Marxist and corporatist analyses.(30)

Claus Offe in 1972, for example, made the case for the evolutionary nature of the welfare state. As he concluded:
Political decision-making in the welfare state is bound to be quite narrow. On the one hand, in the words of Richard Titmuss, no Western democracy "whatever its political color, is today publicly committed to an official policy of more unemployment, less education, no social security provisions for the needy and no tax deductions for the needs of dependents." On the other hand, no government can afford to expand welfare services beyond a certain limit without being punished by inflation, unemployment, or both. The margin of decision thus becomes so slight to be barely visible. The conservatives then are partly correct in their assessment of the welfare state as "creeping socialism", not because it is socialism but because it creeps. The welfare state is developing step-by-step, reluctantly and involuntarily. It is not kept in motion by the "pull" of consensus political will, but rather by the "push" of emergent risks, dangers, or bottlenecks. (31)

Offe implied that there existed a kind of evolutionary logic to the welfare state, a position which was shared by many liberals as well.

Striking some similar chords, James O'Connor contended that the capitalist state was compelled to fulfill two basic and commonly contradictory functions, those of accumulation and legitimation. The state was driven to maintain and/or create conditions for profitable private capital accumulation, while at the same time ensuring that the system's legitimacy is preserved so that social harmony can be maintained. Popular consent to the capitalist system can only be obtained, according to O'Connor, through continuously expanding state social expenditures. The quest to meet these two expanding needs, accumulation and legitimation, leads to a fiscal crisis of the state as government
revenues are outstripped by government expenditures. (32) In this scenario then, the state necessarily expands.

O'Connor, however, neglects other forms of legitimation which may not be an endless drain upon the public treasury. Certainly, nationalism/imperialism has been used very effectively to win considerable popular consent in both the Thatcher and Reagan cases. (33) As well, ideological appeals to prejudices or deep-set traditional values have been utilized effectively by forces of the right. O'Connor's analysis does, however, point to the fact that social harmony in societies beset by fiscal crises, and having thus to react to them, remains in a "highly fragile state." (34) In the case of Britain, for instance, the riots of 1981, and the prolonged and violent clash between the coal miners and the government in 1984, would seem to provide some support for this, but there is little evidence to suggest that such disturbances will actually translate into a substantial challenge to the state. They may, in fact, have served to solidify popular support for the current regime.

What is clear is that in the early 1980s the Western industrial world entered a period of change. Leo Panitch maintained that we face no less than a watershed in liberal-democracy. (35) While certainly the term 'crisis' has been overworked in leftist circles, it is difficult not to use it in describing the economic and political conjuncture which faced the advanced Western world. This situation shared parallels with the Italy of the 1920s. Antonio Gramsci's assessment of his country's
situation bears relevance to our own. As he observed: "The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear."(36)

The full dimension and impact of the world wide economic transformation has been recounted many times over. Consequently, only a brief sketch of it will appear here. The long economic boom, which began in the expansionary climate of post-World War II reconstruction, was brought to an abrupt end in the early 1970s, signaled by, but not solely due to, the 1973 Arab oil embargo and the subsequent dramatic increase in the price of this essential commodity by the Organization of Petroleum Exporting Countries (OPEC). This event was the first shock wave of an economic earthquake which was beginning to rock the international economy. One indicator of the changing times was the decline of profits. Profit rates for business in the advanced capitalist economies plummeted by 50 to 60 percent between the 1960s and early 1980s.(37) The falling rate of profit in the Western World resulted in a capital flight, as multinationals rapidly shifted their manufacturing investments to the newly industrializing centres of the Third World where cheap pools of labour could be readily found. A process of deindustrialization was set in motion in the industrial core. "By deindustrialization is meant a widespread, systematic disinvestment in the nation's basic productive capacity."(38) The traditional smoke stack industries, like steel making and other heavy manufacturing firms, rapidly
declined, causing massive unemployment in the industrial belts and a transformation of the class map. A unionized blue collar labour force began to be increasingly superseded by non-unionized service sector employment. In Canada, for instance, employment in goods producing industries fell from 34.8% of the labour force in 1951, to 26.7% in 1981. This pattern has been replicated in most other Organization for Economic Co-operation and Development (OECD) nations. (39)

This global jockeying of investment and production was paralleled by a technological revolution as corporations attempted to modernize their enterprises in the West, thus lowering their labour costs and boosting profits. All of this contributed to an employment crisis. The impact of technological change alone on employment opportunities was vividly illustrated by the Economic Council of Canada. As it observed:

Throughout the 1971-79 period, advances in technology made it possible to produce the 1979 level of output with 8 per cent fewer jobs in the commercial sector of the economy than would have been required under 1971 conditions. This represented a labour saving of approximately 630,000 jobs. As expected, the impact of technology varies from one industry to another. Only in seven of the thirty-nine industries did the introduction of new technology call for additional labour skills. In all others, labour saving ranged from 37 per cent of total employment in knitting mills to 1 per cent in the construction industry. (40)

During the 1950s and 60s unemployment in OECD countries rested near the so-called natural or normal unemployment rate of about 3 per cent. For all intents and purposes, these were full employment
economies during most of these years. This scenario changed dramatically during the 1970s. In Canada, the ever expanding army of the unemployed caused the federal government in 1972 to officially abandon this full-employment definition, along with its policy commitment to maintain full employment. (41) The official unemployment figures steadily advanced from 3.6% in 1950 to 5.9% in 1970, finally peaking in 1983 at 11.9%. (42) For the OECD as a whole the problem was only slightly less serious as the unemployment rate climbed from an average of 3.5% in 1973 to 5.5% in 1975 to 8.4% in 1983. (43)

The advancing level of unemployment was matched in the OECD countries by upwardly spiralling prices. Classical economic assumptions concerning a tradeoff between unemployment and inflation were turned on their head as a new phenomenon, 'stagflation', the co-existence of economic recession and high inflation, made its appearance. Inflation rates rose steadily during the 1970s, reaching double digit figures and easing only after 1982. (44) Inflation remains a potential threat which continues to concern governments.

The twin evils of recession and inflation contributed to the emergence of a substantial government debt. "In the past, economists who subscribed to Keynesian views on demand management usually argued that the size of the deficit was not a matter for concern. The important point was 'to balance the economy' rather than 'to balance the budget'." (45) But the failure of Keynesian policy to correct economic difficulties served to undermine its
logic concerning deficits among most economists. Management of the public purse has become a heated topic of policy debate; public deficits are now commonly cited as a major factor behind economic decline. In Canada, during the 1950s and 60s periods of deficit were followed by surpluses, which limited the growth of government debt. After 1974, however, government revenue shortfalls rapidly increased. Public debt, consequently, "increased not only in absolute value but also as a proportion of the country's gross national expenditure". (46) The Canadian federal budget deficit alone reached over $38 billion in 1984, and the accumulated deficit stood at $264.5 billion in 1986. (47) Most nations, both developed and developing, are confronting similar public debt problems. (48)

The later 1980s have shown a somewhat improved economic picture. Inflation is down substantially and OECD countries are registering positive growth figures again. However, unemployment remains exceedingly high, as does public debt, and the relative recovery is regionally very uneven. The October 1987 crash of the world's stock exchanges, with most, including New York's, registering their largest losses in history, provides evidence as to the fundamental weakness of the economic structure. This Pandora's box of economic ills has barred a return to the years of the long economic boom and justifies the labeling of this period as one of crisis and adjustment.

The word 'crisis' has in fact enjoyed wide usage regardless of the ideological disposition of the speaker in describing our
present circumstances. It is a word that captures the dominant mood of the times. The economic plight facing most of the nations of the globe lies at the root of the problem, but of course, stretches beyond this. The economic crisis also parallels political, ideological, cultural, and social crisis. The *Oxford English Dictionary* describes crisis in this way:

> The point in the progress of a disease when an important development or change takes place which is decisive of recovery or death; the turning-point of a disease for better or worse; also applied to any marked or sudden variation occurring in the progress of a disease and to the phenomena accompanying it.

In this instance, it is the social system which is diseased and facing all the dangers and anxieties of a 'critically' ill body. As noted above, the outcome of this crisis need not be death; new life can be restored to the social system if, as Andre Gunder Frank suggests, "the economic, social, and political body is able to adapt and to undergo a regenerative transformation during its time of crisis." (49)

One may quarrel with this particular interpretation of events. It may be suggested that while the patient is sick, its condition is far from "critical", that, while the patient shows no signs of overcoming the disability in the foreseeable future, at the same time the patient is far from the point of termination and that rather than undergoing a decisive crisis, as defined above, the patient will simply exist in a state of discomfort. Regardless of one's interpretations of these events, the fact is obvious that changes are rapidly occurring within the Western nations. The
dominant economic ideas of just a few years ago are now in disrepute, political ideologies are in turmoil and significant attacks upon what once appeared to be an unassailable welfare state complex have begun. Whether or not the social system, as such, is in 'crisis', it is clear that certain of the institutions under its rubric are.

The economic trauma has placed considerable strain upon the political institutions of liberal democracy. There has been increasing evidence of a decline in public confidence in government and in political leaders' abilities to deal with the problems facing society. The state's growing inability to satisfy the demands of multiple social groups has generated tensions in the body politic. The rules of order for civil society seem threatened by a rise in levels of dissent and protest, corroding civic culture.(50) The undermining of political authority lends support to the contention that liberal democracies are sliding toward a "legitimation crisis".(51)

The 1975 report by the Trilateral Commission, The Crisis of Democracy, set off the alarm. The question addressed in this study was whether Western political democracy, in the form into which it had evolved by the 1970s, was viable for the future. The pessimistic prospects held out for liberal democracy, in its modern form, were evident by the quotation attributed to Willy Brandt which began the report. It asserted that "Western Europe has only 20 or 30 years of democracy left in it; after that it will slide, engineless and rudderless, under the surrounding sea
of dictatorship, and whether the dictation comes from a politburo or a junta will not make that much difference."(52) The report alleged that a significant challenge to democracy was coming from intellectuals and other related groups "who asserted their disgust with the corruption, materialism, and inefficiency of democracy and with the subservience of democratic government to 'monopoly capitalism.'" The report maintained that the "development of an 'adversary culture' among intellectuals has affected students, scholars, and the media. ... [and that in] an age of widespread secondary school and university education, [and] the pervasiveness of the mass media ... this development constitutes a challenge to democratic government which is ... serious ... ."(53) The Crisis of Democracy maintained that: "democratic government does not necessarily function in a self-sustaining or self-correcting equilibrium fashion. It may instead function so as to give rise to forces and tendencies which, if unchecked by some outside agency, will eventually lead to the undermining of democracy."(54)

The authors argued that the Western political systems were being "overloaded with participants and demands" and that much of the problem of governance stemmed from an "excess of democracy". Part of the problem lay in the "democratic surge of the 1960s" but its origins predated this period. This "democratic distemper" had to be tamed by injecting "a greater degree of moderation in democracy"; the imposition of "discipline and sacrifice" was necessary for the long-term survival of the system.(55) The report took issue with the Marxist position that the heart of the crisis
rested in the "current economic structures". The authors observed: "What the Marxists mistakenly attribute to capitalist economies ... is, in fact, a product of democratic politics." Buchanan and Wagner's argument complements that of the Trilateral report. They contend that Keynesian economics have led to what they term "democracy in deficit". This occurred because reasoning conducted within the framework of the Keynesian paradigm licenced politicians to spend without regard for budgetary deficits and long-term ability to repay these debts. Keynesianism, in effect, destroyed any effective contraints on the public purse. This was possible because of Keynesian "free" spending policies mixed with "democratic" pressures on politicians to deliver more and better services to their constituencies, which inevitably led to this major problem of "democracy in deficit".

In Canada, concern about 'democratic overload' has received a tempered hearing in the Macdonald Commission report. Commission Research coordinators Alan Cairns and Cynthia Williams expressed their disquiet in these terms:

The imbalance between rights and duties is fed by the politics of democracy, which stresses the benefits of policies and minimizes their costs. ... Not only is this bias productive of a magnified state sector, but it contributes to a distorted and thin conception of citizenship. It fosters an exploitative attitude toward the state which is destructive of civic conscience and in the long run threatens the integrity of the citizen base of constitutional government.

The appropriate balance between the state and the economy was a central issue because, as the Macdonald Commission maintained,
"political democracy and individual freedoms are sustained by a significant degree of autonomy in a private sector". The key political function performed by the market is that it "greatly reduces the demands on the state." The market situates decision-making over production and consumption in private hands and allows for an accountability to the consumer. The market shelters the government from the additional obligation and responsibility for these functions. Moreover, "markets contribute to political freedom by providing a realm of autonomy, outside the detailed reach of the state, to which individuals can retreat when they are out of favour with political authorities." The preservation of the "relative autonomy of markets" is, consequently, essential to the survival of democracy itself.

Difficulties are created, however, because political democracy significantly impacts on market forces. Citizens utilizing democratic institutions are able to "challenge the market distribution of power and income" by insisting that a measure of equity be introduced, subverting pure market outcomes. The welfare state is "an embodiment of concepts of sharing which subordinates market results ... to citizenship concerns and community values." The challenge becomes one of striking the right balance between market autonomy and state intervention.

Alan Wolfe has suggested that there exists a major contradiction in the phrase liberal-democracy, one which was hidden in times of prosperity but which comes to the fore in this more austere period. Liberal-democracy constituted what Wolfe
calls a Faustian bargain with economic growth, one whose natural end result was crisis. Liberal-democracy is, of course, the dominant ideology of advanced Western capitalist nations. It is an ideology that sets as its precepts both individual liberty and collective responsibility. C.B. Macpherson noted that liberalism was an eighteenth century idea that stressed the freedom of individuals to engage in private pursuits that maximize their self-interests. Democracy, on the other hand, is a nineteenth century notion based on the proposition that equality and political participation should be extended to all. In the past, one was either a liberal or a democrat but never both. To be liberal, a state must establish the conditions under which self-interest can be maximized. It must broaden the scope where the market, the key institution of self-interest, rules. On the other hand, to be democratic, the state must respond to popular desires for economic and social security. It was rapid economic growth which allowed the state to be both democratic and liberal. But the absence of growth has brought to the fore the tensions within the liberal-democratic compromise. (62) It is this that lies at the root of "the crisis of democracy". During the period of prosperity, liberal-democracy as an ideology was able to bind the population together. The emerging fissures within liberal-democracy have, however, led to ideological turmoil which has meant a serious questioning of a consensus, which existed virtually unchallenged, until the current economic crisis.
It might be added that social democracy is also in a state of crisis. It, like its first cousin, liberal-democracy, was largely grounded, in practice, upon Keynesian policy measures. The failure of these policies to cope with the present economic climate has revealed a crisis in economic thinking. It is revealing that in 1983, the centenary of Keynes' birth, the academic community celebrated the occasion not primarily with praise, as would have been the case only a few years previously, but with much more critical commentary. Another giant also celebrating a centenary in 1983, Joseph Schumpeter, who made the proclamation that capitalism must be saved from the capitalists, has met with a rather silent reception. The Keynesian revolution has been succeeded by a counter-revolution, as orthodox laissez-faire economic thinking has reappeared in the guise of monetarism and supply-side economics, called 'neo-conservatism'.

From a historical vantage point, Western capitalism has proven itself to be particularly adaptable to changing political forms. It was able to accommodate the advance of democracy with, generally speaking, only minor disturbances. Citizenship rights developed from civil, to political and finally to a measure of social or economic equality; that is, people moved from a passive to an active form of citizenship. T. H. Marshall has documented this as a progression which followed the increasing development of capitalist forces themselves. Ever greater material abundance and the expansion of national productive capacities rendered this relationship compatible. Offe argues that the mass democracy of
the late 20th century is harmonious only with a specific type of capitalism, namely a capitalism guided by the logic of Keynesian economics. (64) The validity of this is sustained by the Macdonald Commission, which observed that:

At the most general level, capitalist economies and democratic politics are rendered compatible by the welfare role of the state. ... Without the stabilizing integrating contribution of the welfare state, support for the relative autonomy of capitalist markets would crumble. (65)

The crisis has resulted because of an intensification of the "clash between economic and social policies". This is, as J. R. Gass notes, "potentially dangerous because the success of Western managed market economies and liberal societies has been largely built on the integration of economic and social progress: an efficient economy and rising social standards were in a sense two sides of the same coin." (66) The welfare state acts as a "shock absorber" against the outbreak of disruptive class and social struggles. (67) But it was economic growth which served as the "social lubricant" which sustained a working relationship between contending social classes. (68)

The excessively deterministic nature of much of Marxist theory, which assumed that the ruling class "must engage in far-sighted planning to overcome the contradictions of capitalist society", (69) had blinded many neo-Marxists about the "real" nature of the welfare state. The analysis of authors like Nicos Poulantzas has made "it almost an impossibility for capitalist states to function in a manner which is not complementary to the
dominant classes."(70) The new right's recent attacks upon the very pillars of the welfare state have caused the beginnings of a rethinking by the left. Frances Fox Piven and Richard Cloward have moved from endorsing a very one-sided conception of the welfare state as a repressive agency in their classical work, *Regulating the Poor*, to a more balanced view of welfare programs in their study, *The New Class War*. They now emphasize the need to defend the limited gains of past working class struggle against capital's encroachment upon "popular, democratic claims on the capitalist economy". Capital's attacks represent challenges to programs that have served to limit the power of capital over workers' lives. It is an attack on hitherto entrenched subsistence rights.(71) There is a growing acceptance of the notion that the state is in fact "embroiled in the contradictions of capitalism" and that it is "not merely a functional mechanism for its defence."(72)

The development of the welfare state to some extent does undermine private profit/accumulation which serves as the basis for the expansion of the capitalist system. The reason for this is not because welfare policies attempt to redistribute wealth; they in fact do not serve to do this at all. Leo Panitch has termed welfare's redistributive effects "socialism in one class", since the transfers are largely "from younger, employed workers, to retired, unemployed workers, workers' widows and one-parent families".(73) The welfare state acts as a restraint on profit levels because it has introduced, as Ian Gough notes, barriers to the free market mechanism. Prior to the welfare state, the reserve
army of labour under free market conditions served to undermine labour's demands; whereas the welfare state's existence has placed labour in a stronger position than it would otherwise be in.\(^{(74)}\) Leo Panitch likewise contends that the welfare state has protected workers from the former constraints of the capitalist system. It enables workers to demand and win higher wages and greater government services even when unemployment is relatively high and increasing.\(^{(75)}\) It is only in circumstances like the present when unemployment has reached levels near or above the 10 per cent mark and persists at that level for some time that wage demands have been quelled. Unemployment insurance, for instance, has enabled workers to resist for long periods of time the necessity of taking lower paying jobs and this situation has helped to inflate wages. "The income-maintenance programs of the welfare state", Piven and Cloward observe, "have expanded to the point where they intrude upon the dynamics of the labour market, augmenting the power of workers."\(^{(76)}\)

Such measures contribute to a situation where there is a disincentive to work. Many workers for periods of time are placed in a position where they can avoid unappealing employment. Consequently, the former hard-nosed work ethic which was supported by sheer economic necessity became compromised. At the very least, the existence of "the welfare state has made the exploitation of labour more complicated and less predictable." It fortifies the power of labour against capital. "While the reason for struggle remained unchanged, the means of struggle increased for the
The contradictory forces which the welfare state imposes on capitalism are summed up in these terms by Offe:

First, the welfare state apparatus imposes a burden of taxation and regulation upon capital which amounts to a disincentive to invest. Second, at the same time, the welfare state grants claims, entitlements and collective power positions to workers and unions which amount to a disincentive to work, or at least to work as hard and productively as they would be forced to under the rein of unfettered market forces. Taken together, these two effects lead to a dynamic of declining growth and increased expectations, of economic 'demand overload' (known as inflation) as well as political demand overload ('ungovernability'), which can be satisfied less and less by the available output.

Given the impasse which the present political economy has imposed on us, it is not surprising that reaction against it has followed. Even the quintessential Keynesian, Paul Samuelson, has concluded "that our last consensus was wrong and is to be replaced by ... [a] new one." The strongest challenges, however, have come from the right side of the political spectrum. The political right and their allies within the capitalist class took advantage of the crisis by launching a formidable challenge to the Keynesian welfare state. It was an attack ferocious, and in places, successful enough to lead some to bid "farewell to the welfare state" altogether.

Neo-Conservatism: Resurrecting the Market and Class

The crisis in the West, which undermined reform liberal and social democratic policy prescriptions, opened up opportunities
which were rapidly seized by a reinvigorated political right. This political force has been most pronounced in Great Britain and the United States, but has made significant inroads in other countries including Canada. The strategy of Thatcher in Britain and of neo-conservatives elsewhere rests on the belief that "the clock can be turned back and the dynamic of the market place restored."(81) The neo-conservative doctrine provides a rationale for making a dramatic alteration in the power balance between capital and labour. It proposes an "alternative to the logic of the post-war 'consensus' on economic and social policy."(82) Keith Banting is correct in his observation that the "social rights" developed under the welfare state are in "constant flux", expanding in some periods and contracting in others."(83) But the neo-conservative attack on the welfare state is of a rather different nature than the 'normal' flux observed by Banting. While, for instance, in Britain even Labour governments had cut social services during recessionary periods, these cuts were carried out with the intention that they were 'temporary' and would be restored with a recovery in the economy. It was a policy, in short, which emphasized a continuity with past commitments to services. According to Gough, the neo-conservative administration aims at not only a "quantitative" cutback of resources for the social services but also a "qualitative" attack on them. It is in these "qualitative" policy shifts that the distinctively ideological character of neo-conservatism is made clear.(84)
Neo-conservatism, or the 'new right', departs from traditional conservatism in a number of ways. It is, as Vernon Bogdanor observes, both radical and populist, while previous conservative administrations "were essentially accommodationist and defensive."(85) Further, in terms of its philosophical roots, it has altered considerably. Conservatism's initial anti-bourgeois character is somewhat embarrassing to modern conservatives who have managed to adapt very well to the development of capitalism. The anti-capitalism which was the focus of nineteenth century conservatism became anti-socialism in the twentieth century. As Alan Wolfe notes: "Bourgeois democracy, so recently the enemy of reason and civility, was transformed into a bulwark against the dictatorship of the proletariat. ... Modern conservatism, in a word, made peace with capitalism in order to wage war against socialism."(86) Neo-conservatism sees socialism embodied in almost all forms of collectivism, statism, and rationalism; i.e. "the trend toward centralization of power in the state and the use of that power to reorganize and plan social life in a systematic, self-conscious way." Keynesian liberalism, social democracy, and communism, from the neo-conservative perspective, are but variations of the same phenomenon; some are simply "more benign than others."(87)

It might well be argued that neo-conservatism is a mis-naming of the ideas that have actually come to be encompassed under this title. The neo-conservative movement is by no means monolithic in its composition(88) but, broadly speaking, its core ideological
thrust can be broken down into two components; a neo-
laissez-faire
economic doctrine, combined with the values of social
traditionalism. While the later ideological component is
consistent with classical conservatism, its economic doctrine is
qulteessentially nineteenth century liberal. Consequently, many
have, quite legitimately, preferred to label this political force
neo-liberalism. Neo-conservatism has, however, become the
nomenclature widely enough embraced by analysts to warrant its
utilization here.

As noted, neo-conservatism possesses a radical edge. Regimes
like those of Thatcher and Reagan break the rules which governed
past Tory and Republican administrations. Their policies are
extreme in content and explicit in their ideological inspiration.
This aspect of these governments has led Teresa Amott and Joel
Krieger to characterize them as "hyper-capitalist regimes". Such
regimes have a tendency to reject integrative strategies and
instead opt for policies aimed at both demoralizing and
disciplining the working and underclasses.(89) The ideological
leaders of this movement are "social revolutionaries with a petit
bourgeois agenda".(90) The new right's conception of the proper
role of the state reflects its radical character. There is a
direct relationship drawn between the existence of a 'free' market
and democracy, and government is always seen as the equivalent to
coercion. Coercion exists in the excessive intervention within and
regulation of society and economy, typical practices of the
over-extended state. In the place of bureaucratic domination, the
market is offered as an alternative mechanism for decision-making and resource allocation in society. (91) The market is presented as a substitute for politics.

At first glance, the neo-conservative perspective on the state, which emphasizes a withdrawal of government from many spheres, seems to be libertarian in spirit. This, however, is a false characterization. The goal of reducing the role of the state is not to make it weaker but to enhance its strength. Ironically, as the Crisis of Democracy has argued, the welfare state's authority has been undermined because of its over-extended and expanding responsibilities. The state's authority can only be effectively strengthened "through a diminution of the functions for which the state can in turn be held responsible." (92) Ideologically the new conservatism stresses the principles of "individualism and competition as the prime components of 'freedom'." As such, it directly attacks the collectivist aspects of the welfare state --- any notions of collective rights and benefits become the targets of attack. (93) The intention is to roll back "the frontiers of the social democratic state". (94) The neo-conservative right is not attempting to eliminate the power of the state, but rather to redefine the division between state and society, to separate areas of activity that have, under the welfare state, become, in the neo-conservative view, overly interconnected. (95)

In practice, neo-conservative regimes have not been successful in limiting government. Reg Whitaker, in his analysis of the
Thatcher and Reagan administrations, lays bare the contradictions within the anti-statist characterization of such regimes. He notes that the state is used by these governments to invade civil society in various ways. The police and courts are relied upon to subdue strikers and, more generally, unions. The secret service is unleashed to invade personal privacy and to harass individuals who profess left wing sentiments. The armed forces are built up and the military is increasingly used to impose the will of imperial powers upon the developing world. Moreover, the actual size of government, as measured by the state's spending as a proportion of Gross National Product, has not declined in either Britain or the U.S. Rather than affecting the size of the state, neo-conservative regimes have focussed upon shifting state expenditures away from welfare/social security programmes and "direct government presence in production" toward defence, policing and defence-related research and development programmes."(96)

Yet, social expenditures have proven to be much more resilient to roll-backs than neo-conservatives would like. Social democracy has been built into the modern budget through an array of universal social programmes, such as old age pensions, unemployment insurance and the like. They make up a large portion of social expenditures and, given their popularity, are politically difficult to dismantle. The neo-conservative attack on social expenditures has in large measure, consequently, been restricted to the periphery of the welfare state's social
programs. Nonetheless, neo-conservative governments have been able "to shift priorities towards coercion and accumulation and away from legitimation."(97) For the new right, the state is an essential player in constructing its new vision of society.

The willingness of neo-conservatives to resort to coercion to impose their new order has led some to advance the argument that the new right represents an "authoritarian populist" response to the crisis. Stuart Hall, in describing the Thatcher regime, has utilized this deliberately contradictory phrase, "authoritarian populism", to give emphasis to the contradictory features of neo-conservative politics, "which involves a move to an authoritarian form of democratic class politics, rooted in a mobilization of a limited set of popular demands."(98) The term "authoritarian" is adopted because neo-conservatism demands a strong state, law and order, and social discipline to end societal permissiveness which has, in its adherents' views, fostered moral degeneration and social anarchy. It expresses the neo-conservative's hostility to "popular-democratic ideas, movements, and institutions" in their battle against the post-war social contract.(99)

At the same time, neo-conservative regimes are said to be populist because their leaders make direct appeals to the people; they stress national concerns (or in the case of B.C., provincial interests) over class or 'special interests', drawing on "the ideology of the neutral market" which is said to work for the interests of all.(100) Thatcher has promoted the notion of
'people's capitalism' through her government's privatization schemes. Public enterprises have been sold to the public in a manner which has ensured a wide distribution of shares. The number of shareholders in Britain is in fact now beginning to surpass trade union memberships. Such schemes have helped nurture a pro-capitalist ethic in the population, and support for the neo-conservative enterprise. The themes of social conservatism, such as the right to life, the preservation of the family, attacks on feminism and homosexuality, have also captured a popular audience interested in resurrecting a more traditional order. The populist aspect of neo-conservatism has been described in these terms:

The new right has carried out a remarkable campaign of ideological hegemony, playing upon the possessive values of capitalism and the selfish behaviours rewarded by market society, while at the same time utilizing the very negative results of these values --- individual alienation and anomie, antisocial egotism and constant insecurity --- as the basis of mobilization around right wing themes of the family, God and flag.

The use of populism by neo-conservatism "involves the creation of an ideology which can be used to manipulate the populace and to facilitate the introduction of policies which may be against their broad class interest." The authoritarian populist label, while effectively highlighting the extreme edge of neo-conservatism, in the end, obscures the real form of government it seeks to represent. The term authoritarian has been applied to repressive, anti-democratic regimes located primarily in Third World nations. Neo-conservative
administrations in the West have exhibited a confrontational, class-centred approach to politics and been willing to use the state apparatus in a forceful manner against opposition, but they have not breached the broad ground rules of the liberal democracies in which they operate. Neo-conservatism is populist, radical and forceful, but authoritarian, in the true sense of this phenomenon, it is not. While coercion may be more prominent in neo-conservative regimes, their desire to achieve legitimacy and consent also remains.

Part of the populist orientation of neo-conservatism has been the way in which it has identified the enemy within modern society. It has divided society into two categories, the productive and the parasitic. The parasitical segment of society includes the pauper elements, such as single mothers, welfare recipients, and the unemployed (the clients of the welfare state), as well as those engaged in activities in the public and private sectors which, in capitalist terms, are unprofitable. In the government sector, this includes civil servants who are employed in areas outside the essential state functions of the "minimal nightwatchman role" of policing, defense, tax collection, and the like. (104) This parasitic segment extends beyond the civil service to encompass the so-called "liberal elite" or the "intelligentsia". According to neo-conservatism, this segment of parasitic society constitutes a "new class"; a group which has supposedly been the real beneficiary and creator of the welfare
state. In social class terms, this group of people may be identified as a major component of the new middle class.

The social programs of the welfare state may have been designed to aid the poor, but "they actually enriched and empowered the 'social engineers' who designed them and the army of bureaucrats and professionals who staffed them", in the view of neo-conservatives. The image of the poor as little more than pawns of the "new class"(105) is revealed in the following excerpt from an editorial in the conservative American journal, the National Review:

The 'poor' must be understood in a special sense, as potential clients for the redistributive ministrations of the New Class, the middlemen of social justice. Analytically, 'the poor', as a concept, legitimizes the power-grab of the New Class middlemen in the same sense as 'the proletariat' legitimates the power-grab of the Leninists.(106)

This "new class", has also been dubbed the "university-government-media complex". According to popular neo-conservative authors like Irving Kristal, this group of men and women is the source of the "adversary culture"; they are the "Left" in the European sense of the term, armed with the liberal ideology of economic planning and progressive reform.(107) They challenge the status quo with the selfish aim of advancing their own interests.(108)

By focussing on the parasitical segments of society, and especially the "new class", the target for popular discontent is shifted away from big business and the corporate elite to big government and the "liberal elite".(109) The market becomes the
mechanism which can correct the imbalance between the productive and parasitic forces in society. The productive classes must be allowed to collect some financial reward for their provision of profitable goods and services through the market. The parasitic, on the other hand, must be allowed to suffer economically for their lack of productivity. By substantially reducing, or eliminating, their state subsidization, the parasitic will be forced back into the market. This will minimize their power to drain society.(110)

Philip Resnick suggests that the neo-conservatives have developed a perception of the enemy in a conceptual manner akin to "a Marxism of the Right". (111) The forcefulness and pro-capitalist political program of the new right has caused Ralph Miliband to characterize it as "class war conservatism". (112) The neo-conservative literature concerning the crisis has borrowed the analytical framework of neo-Marxist theories of state fiscal crisis and legitimation failure. It asserts that the fundamental difficulties facing Western society stem from the economic sphere, from continuing class conflict and the inability of the Keynesian welfare state to securely institutionalize these class tensions. Where the neo-conservatives depart from the Marxists is in identifying the source of the crisis. For the new right, the problems derive not from the contradictions of capitalism, but, rather, they lie "in the institutionalized arrangements of welfare state mass democracy." (113) This relationship was clearly spelled out in the Crisis of Democracy. One American neo-conservative,
Kevin Phillips, describes his own position as an "admittedly rather populistic, a vaguely neo-Marxist brand of conservative analysis."(114)

The neo-conservative solution to the crisis of Western society is to bring back the market and competition. By doing so, productive forces will again be released to correct economic malfunctions. But, just as important, by providing the market greater scope of operation, "political demand inflation" can be checked, thus restoring governability to liberal democracies. Political crises caused by "demand overload" can be defused by depoliticizing many of the decisions now made in the public realm, by shifting them back to the private (market) sphere.(115)

Neo-conservative policy represents a movement toward greater individual responsibility, or in other words, a shift of "social choice away from public choice and toward market choice."(116)

The economic doctrine of the new right is an accumulation strategy which calls for the deregulation of private business activities, the privatization of large segments of the government sector, the introduction of market criteria to other public sector activities, and the cultivation of an open economy.(117) There is a deliberate fostering of the acceptance of a new inequality.(118) This follows from their belief in supply side economics, which maintains that uplifting the position of the poor requires increased levels of inequality because the rising prosperity of the rich will trickle downward. Poverty, in fact, is no longer seen as an evil. As Marilyn Power observes:
... according to the free market ideology, poverty is not necessarily a 'problem' for society at all: individuals compete freely with each other in the market place, and the most capable succeed while the least capable do not. Poverty is then the outcome of the successful working of the system. Society may choose to prevent the poor from outright starvation, but any attempt to lift them out of poverty breaks the rules of the competitive game: there must be both winners and losers.(119)

What is required of government is to pursue policies which will permit an upward distribution of income, which means the market must be 'freed' of politics.

Restructuring the economy in a manner which will significantly alter how economic resources are distributed will generate intense struggle between potential winners and losers. One of the primary obstacles blocking the way of the neo-conservative accumulation formula is organized labour. The new right's goal of clearing the labour market of political and union regulation so that labour can be 'free to compete' inevitably meets with stiff trade union opposition. But for neo-conservatives, governmental policies such as anti-discrimination regulation, health and safety codes, minimum wage laws, and union monopolies on hiring practices serve only to "disrupt the natural workings of these markets," generating inefficiencies and long term unemployment.(120) This makes legislation to reduce the power of unions essential.

Restrictive labour legislation, coupled with the high unemployment rates brought on by the economic crisis, and in some instances encouraged by state policy, have been and are being used to break the power of organized labour. F.A. Hayek argued that a
20 per cent unemployment rate in Britain was necessary in order for its present crisis to be satisfactorily resolved. In Canada, in November of 1983, the unemployment rate stood at 11.3 per cent. The Bank of Montreal's Business Review for October 1983 concluded that pushing unemployment down to 3 per cent, the full employment goal of the 1960s, was "a million miles away" and that unemployment was very likely to stay at or above the 10 per cent level for the rest of the decade and could even reach the 13 per cent point by 1990.(121) Official national unemployment levels have settled below the 10 per cent mark, but regional variations in unemployment vary significantly. British Columbia's unemployment until 1989 remained well above 10 per cent. Unemployment remains as a strong disciplinary force. The logic of the new right, if followed to its extreme, requires that the back of the trade union movement be broken.

The poor, the disadvantaged, and other minority groups are also the targets of right wing attacks because they are politically weak. Universal welfare state social programs are broadly supported because the middle class as well as the poor are recipients. But social programs which touch only specific communities are much easier to attack because they affect only these largely hidden and silent minorities. In organizational terms, these communities of people are largely politically disempowered because they lack the political resources of wealthier and more mainstream elements of society. The political risks of dismantling such social support programs are consequently
negligible. The attack on the poor and welfare support systems in
general can also be viewed as part of the assault on labour. One
of the justifications which neo-conservative regimes have made for
"cutting welfare benefits is that welfare payments have become so
high that they provide an alternative to full-time work, an
unacceptable outcome."(122) The state, given this perspective,
should not sponsor programs which enable and encourage citizens to
choose welfare.

On the social front, neo-conservatism endorses a social
traditionalism. It expresses concern for, and plays upon, the
popular values of law and order, morality, patriotism, the work
ethic, the preservation of the family and church, and the
denunciation of sexual permissiveness and drugs. The humanistic
value system of the 'new class' which was reflected in
governmental policies and yuppie cultural trends in the post-war
period, served to infect society, contributing to a "process of
social breakdown and moral decay."(123) The reasoning of the new
right's supply side economic thinking, that is, the notion that
supply generates demand, is applied equally to the social sphere.
Therefore, by creating an extensive welfare state, the government
seduces people into becoming its dependent recipients. Supplying
welfare payments creates welfare clients, unemployment insurance
induces unemployment, financial aid to single mothers prompts
single women to have children, and even by subsidizing medical
care, more sickness is manufactured.(124)
The solution to the social crisis lies in self-help, community and restraint. Leading neo-conservative spokesperson, George Gilder, contended that the only real way out of poverty is "work, family, and faith." He argued that:

The first principle is that in order to move up, the poor must not only work, they must work harder than the classes above them. Every previous generation of the lower class has made such efforts. But the current poor, white even more than black, are refusing to work hard. ... [This is due to the negative effects of the welfare state.]

... [The second principle of upward mobility is the maintenance of monogamous marriage and family. [A family situation where the male is the major bread winner and the woman the guardian of the home.] ... The effect of marriage ... is to increase the work effort of men by about half. ...

Faith in man, faith in the future, faith in the rising returns of giving, faith in the mutual benefits of trade, faith in the providence of God are all essential to successful capitalism. All are necessary to sustain the spirit of work and enterprise against the setbacks and frustrations it inevitably meets in a fallen world ... .(125)

Individual effort, reinforced by the support system of family and faith, are in this view key to solving the social crisis. The provision of social welfare, according to this view, should be shifted back to the community level where it can best be met without resort to an alien and inefficient bureaucratic state. The traditional role of church and family as providers of charity and counsel need to be re-established. The state's monopoly over welfare must be broken since, in the end, such 'aid' only serves to harm the poor.

Religion is a vital force in society because it helps to solidify social bonds,(126) and, one might add, along non-radical
lines. Religion establishes codes of conduct which act as restraining agents on the passions. Through the exercise of restraint, excesses are curbed, inducing discipline in the masses; this process aids in dampening excessive demands within the population and reinforcing a strong work ethic. By allowing both the church and family to assume greater roles in society, responsibilities and pressures could be transferred away from the state, which would provide a necessary escape valve for the overload problems experienced by modern government.

The position of neo-conservatism vis a vis social issues should not be disregarded. Its stress on the social questions is a key component of its overall strategy and a major source of its popularity. The successes of past right-wing political movements have depended upon the mobilization of two constituencies; the economic elite through policies broadly favourable to their financial interests, and lower/working class elements through appeals to traditional values.(127) Neo-conservatism may be seen as embracing a similar strategy, through its blending of neo-laissez-faire economic doctrines with social traditionalism.

The surface tensions displayed by the cross-currents of ideas that make up the totality of neo-conservative thought do in fact contain an internal unity. David Edgar outlines the links in these terms:

... in many ways a free market implies both the reassertion of the family (to provide previously public services in the home), and a state strong enough to impose its discipline on those unwilling
to accept the brisk logic of unfettered capitalism. (128)

What is rather startling is the forcefulness with which neo-conservative regimes have been willing to challenge the "dominant political culture", a culture which has become deeply penetrated by social democratic values. (129) These values have been grounded, in the Canadian context, by what Banting has described as a "new set of social rights, a set of claims for protection from the insecurities of modern society." These are social rights which, he maintained, are "deeply embedded in the fabric of Canadian life." (130) Yet, the 1983 victory of Thatcher has demonstrated that politics can be conducted outside of the guidelines of the post-war consensus. The battle has clearly shifted to the right's advantage. Liberalism and social democracy are on the defensive. The language of political discourse is increasingly commanded by the neo-conservatives. Few politicians, for instance, now argue with the necessity of 'restraint'; rather, it is the application and the scope of restraint that have become the object of debate. The issue is not whether to restrain, but to restrain whom, and to what extent.

In Canada, at the federal level, neo-conservatism remains more an incipient than a dominant force. In the later years of the Trudeau administration, the first signs of a retreat from
Keynesian centred policy direction became visible in the form of the Bank of Canada's restrictive monetary policy, in the limitations placed upon public sector labour relations, and restraint in public servants' salaries. In 1984, the Progressive Conservatives were swept into office. This was a party, however, which did not place neo-conservative themes at the core of its platform, but rather located itself within the broad centre of the Canadian political spectrum. The Mulroney administration has adopted a strategy which attempts to redirect federal expenditure and policy onto a small-c conservative trajectory. This can be seen in its moves toward limited privatization, restraint of social programs and its commitment to implement a 'free trade' deal with the United States. A 'free trade' deal would move Canada toward a more pro-market orientation and result in a reduction in Canadian social policy, in line with the leaner social agenda south of the border. While these developments are not insignificant, they merely point to an incremental movement toward neo-conservative terrain, not a full-blown neo-conservative revolution. It has been at the provincial level, especially in the Western provinces such as the Manitoba Lyon administration (1977-81), Devine's Saskatchewan government (1982-present), and especially the Social Credit regime in British Columbia (1983-present), that neo-conservatism has taken firm root.
Response From the Base

One of the intriguing aspects of the 'new conservatism' is its sense of purpose. It now enjoys the missionary zeal, the notion that 'history is on its side', which were the hallmarks of the 'left' for most of this century. Neo-conservatism's ideological onslaught, coupled with the 'crisis of capitalism', have placed political parties subscribing to a Keynesian liberal or social democratic outlook into a state of confusion, disorganization and retreat. In the United States, the Democratic Party has moved to the right and lost the electoral dominance it held since the election of Franklin D. Roosevelt in 1932. Political commentators speak widely of the emerging Republican majority. One of the prominent themes of British party politics is "Labour's lost millions" — the rapidly eroding electoral base of the Labour Party.

The impact of the crisis on the party map has been rather different in Canada. At the federal level, after the election of the Progressive Conservatives with the largest Parliamentary majority in 1984, the Tories slumped badly, initially failing to satisfy their critics to the right or left, and damaged by a long series of scandals. The Liberal Party was unable to reassert itself as the 'natural' alternative, due in large measure to a leadership crisis. Only months before the 1988 election it seemed as if a political realignment was occurring. The New Democratic Party between the elections was able to garner enough popular
support in opinion polls to seemingly pose a serious challenge the two old line parties. This increase in popularity it appears, however, was not due to an ideological shift in the Canadian public but from disaffection with, and disorganization in, the old line parties. The voters remained in a highly volatile state and the hoped for political breakthrough for the NDP failed to materialize in 1988. Provincially, in B.C., the NDP has been able to retain its electoral base over the last number of elections and in 1987-89 has ridden high in the polls due to the unpopularity of the controversial Vander Zalm administration. But, again, the NDP's lead in the polls could quickly evaporate in the highly polarized party system of B.C. politics, with a change in leadership by the Social Credit Party. For the NDP, electoral victory is far from assured in the next provincial election.

But what has been the reaction at the societal level to these new circumstances? At least initially, it can be argued, the economic slump has had a disciplinary effect upon the working class. According to Jurgen Habermas, the economic crisis of the 1980s with its mass unemployment has brought to the fore conservative tendencies within working class consciousness. The work ethic has been reinforced as workers engage in more individualistic, competitive behaviour in attempts to retain their current position and status. Expectations pertaining to improved living standards have been curbed, bread and butter issues have risen to the top of workers' concerns, along with the idea that those with employment are the fortunate. Given this
context, displays of worker militancy through such actions as the strike have greatly diminished. Workers have been placed on a decidedly defensive footing.

Employers have taken advantage of the weakened position of the trade unions to launch an offensive upon past gains. The 1980s in Canada have been a decade of rollbacks in benefit packages, union decertification drives, and employment contracts which have failed to keep pace with inflation. Some evidence of the impact upon workers is witnessed in the fall in labour's share of net national income, which decreased from 71.7 to 68.7 per cent between 1980 and 1986.(137) The ability of unions to engage in industrial disputes has also been impaired. From 1978 to 1986, the number of work days lost due to strikes fell significantly. Moreover, the struggles which have taken place are of an increasingly defensive character for labour. As Errol Black observes:

Statistics on lockouts also suggest that the initiative in industrial relations has shifted to employers. From 1978 to 1981 the average number of lockouts was 102, the proportion of total disputes accounted for by lockouts, 9.7 per cent. The comparable figures for the period 1983 to 1985 are 131 and 19.4 per cent.(138)

Although labour has been clearly placed on the defensive, with its capacity to engage in struggle hampered by mass unemployment, a more classical type of class struggle is becoming more evident. In the heady years of post-war expansion, the notion was generally accepted by labour that the welfare state was here to stay, that workers' collective rights would continue to be recognized and expanded, and that workers would enjoy an increasing share of the

108
economic pie. In this environment, labour's conflicts with capital began to take the form of industrial actions over economistic concerns. There was a sharper distinction drawn between industrial and political actions. But, the emergence of the zero sum society cast a dark cloud over former notions and distinctions. More militant and decidedly political struggles have been called for, not only to defend past economic gains, but to preserve the institution of the trade union itself. Increasingly, organized workers, in battling over wages and conditions, according to Peter Hain, are coming to "impinge directly on government economic strategy." Subsequently, government intervention into labour disputes through legislated back-to-work orders, the legal system and/or policing actions, has transformed what used to be 'normal' industrial disputes into significant political conflicts. The politicization of industrial conflicts has been further enhanced due to the unionization of public sector workers over the past couple of decades.(139) The adoption by governments of harsh restraint measures and their challenges to employees' collective bargaining rights has meant that industrial disputes in the public sector take on a highly political complexion. In addition to this, the neo-conservative assault on the welfare state has forced trade unions into political confrontations with the state.

Both in Britain and the United States, these class struggles have been carried on in a good deal of isolation. The weakened position of labour has made it hesitant to engage in strikes of a
political nature unless absolutely necessary. Given this situation, neo-conservative regimes have chosen to confront specific unions, such as the coal miners in the U.K. and air traffic controllers in the U.S., forcing them into strikes which could be contained and crushed. The broader labour movement, while it gave moral support to its brothers and sisters, feared entering into the battle with concrete industrial action. So, simultaneously, workers' struggles have become increasingly militant and political while remaining isolated and limited. The challenge for labour has been the building of a 'common front' not only within its own ranks, but with other class strata. In this respect, B.C.'s labour movement demonstrated some impressive signs of building unity and a common program of action.

The so-called 'new social movements' composed of environmental, peace, local-autonomy, gay rights, women's and students' organizations, were a major source of the 'adversary culture' identified by the Crisis of Democracy. These movements were founded in the 1960s and 70s, the product of an emerging post-materialist value system which emphasized individual self-expression, greater participation, and quality of life issues instead of the older materialist values centred around economic and physical security.(140) One of the features which distinguished these social movements is the social class location of their members. Unlike other earlier social movements which derived their support predominantly from "peripheral or underprivileged strata", the new social movements' ranks are
filled by "people from the new middle classes and the professional service sectors who have the highest levels of education and the greatest cognitive skills."(141)

Politically, these groups hold an antithetical attitude toward neo-conservatism's endorsement of development, unregulated capitalism, and social conservatism. A close alliance between these groups and traditional parties of the left and blue collar trade unions is problematical because the class and political aspirations of these two forces remain at odds. The 'new politics' of these social movements, which expresses post-materialist concerns, conflicts with the predominantly materialist orientation of the traditional working class.(142) The politics of many within the ranks of the new social movements does not place itself within the standard left-right ideological spectrum. On the other hand, post-materialist issues like feminism and quality of work life, have found more receptive audiences within the white collar services and professional unions. An important component of the membership of the new social movements is drawn from these unions. The building of links between this segment of labour and the new social movements is consequently much easier. The political significance of the new social movements is strongest in continental Western Europe, although they have had important impact on issue politics in North America. The longevity of the economic difficulties facing the West have taken their toll on the growth of these movements, as societal concerns are replaced by
materialist questions. The membership of these groups, however, is as a potential source of allies against neo-conservatism.

A final category adversely affected by the neo-conservative revolution includes the clients of the welfare state and other groupings benefitting directly from key social policies. These would include welfare recipients, the unemployed, single mothers, the old, renters, minorities, health care professionals, and the like. The prolonged economic crisis has also meant that increasing numbers of workers have been transformed into full-time clients of the welfare state as they expand the ranks of the unemployed and those on welfare; especially as they occupy these positions for ever-lengthening periods of time. (143) Neo-conservatism's targetting of many of the programs which support these people has had a number of effects. On the one hand, it has led to their defensiveness and demoralization, but on the other hand, it has politicized the leadership elements of these groups.

It is the state workers, the public sector unions, which occupy a central place in the battle against neo-conservatism. Public sector workers have a direct material interest in preserving the services of the welfare state, making them natural allies of state client groups. They also share many of the concerns of the new social movements and are an integral component of the labour movement. State workers are the common link between all major groupings disaffected with neo-conservatism, and they are the segment of the labour force which experiences most severely the assault. A leadership role is reserved for public
sector unions because they are the group with the greatest interest in uniting the other factions.

The existence of the welfare state, by establishing a safety net, has prevented the crisis from exploding in an immediate way. To a large extent, it has acted as a social control agent lessening the outbreak of major social disruption. At the same time, however, the political economy of the late 20th century has changed drastically from the past, altering the former relationship between the state and economy. The establishment of the advanced welfare state has meant that the state has become the centre of "formal democratic rights". Increasingly, the state, as opposed to the market place, is looked upon "as the arena for action on [citizens'] economic grievances and aspirations." The notion has more than ever been embedded into the popular consciousness "that political rights are also economic rights", even though the ideology of neo-conservatism is attempting to erase such conceptions. The state has, consequently, become the primary focus for class struggle.(144)

The contradictory aspects of the capitalist state are made clear. The advanced welfare state operates at one level to hinder the coalescence of dissent from below, but it also makes the state the object of increasing economic and social demands, causing the state to be a potential rallying point for opposition and class struggle. Piven and Cloward outline the present situation in these terms:
... capital is mobilizing against the gains made by democracy at a time when the state itself has been transformed in ways that make it far more susceptible to popular pressures. This transformation resulted from an accumulated history of democratic victories institutionalized within government. Left analysts have tended to view these victories as co-optative, as new systems of social control. They are systems of social control, to be sure. But that is not all they are. Social control is never complete, and never enduring. The very mechanisms that effect such control at one historical moment generate the possibilities for political mobilization at another. If that were not true, the history of insurgency from below would have ended long ago.(145)

The emergence of a broad based social movement to stand against neo-conservatism's attempts to roll back the Keynesian welfare state remains, then, a distinct possibility. But the existence of discontent alone is not sufficient to generate mass protest activity. The unrest must become directed at "specific parts of the social order" --- a common enemy needs to be identified. "People must be activated to champion a cause through the mobilization of their energies in a concerted manner."(146) Classes and other social strata which find themselves opposed to the state are often confronted with the problem of being unable to mobilize themselves around their collective interests. Marx observed, for example, that while the European peasantry of the 19th century constituted a social class they remained unable to collectively organize themselves because the nature of their employment isolated rather than united them, whereas unity could and did occur in the case of the industrial working class.(147) In a similar manner, those groupings in society most negatively
affected by neo-conservatism find it difficult to come together as a protest organization because of their isolation from one another and their divergent interests.

Piven identifies the "culture of inequality" within society as a further obstacle to mass mobilization. As she notes:

What some call superstructure, and what others call culture, includes an elaborate system of beliefs and ritual behaviors that defines for people what is right and what is wrong and why, what is possible and what is impossible, and the behavioral imperatives that follow from these beliefs. Because this superstructure of beliefs and rituals is evolved in the context of unequal power, it is inevitable that beliefs and rituals reinforce inequality, by rendering the powerful divine and the challengers evil. Thus the class struggles that might otherwise be inevitable in sharply unequal societies ordinarily do not seem either possible or right from the perspective of those who live within the structure of belief and ritual fashioned by those societies. People whose only possible recourse in struggle is to defy the beliefs and rituals laid down by their rulers ordinarily do not.(148)

For protest movements to emerge, "a transformation both of consciousness and of behavior" is required. Changes in consciousness, occur as people begin to perceive 'the system' as being flawed in some significant way. In short, the system starts to lose its legitimacy, and the authority of those that govern is undermined. A strong sense of injustice and wrong comes to prevail. Additionally, people who in ordinary circumstances are fatalistic about existing conditions become assertive about their 'rights'. The complacent and helpless are transformed into the active and hopeful --- the belief grows that change is possible. In terms of the alteration of behaviour, large numbers of people

115
move from a state of passive law abiding to defiance; "they violate the traditions and laws to which they ordinarily acquiesce, and they flaunt[sic] the authorities to whom they ordinarily defer." Moreover, this defiance takes on a collective character. It is manifested in the form of strikes, mass protests, and even riots.(149)

Accordingly, social movements can be identified, as Lewis M. Killian informs us, by the existence of two distinguishable elements. First, they are action oriented, directed at promoting or resisting social change. Second, the men and women engaged in such action are welded together through the creation of a formal organization which can articulate demands and provide some kind of direction to the defiance. Protests which are purely spontaneous are excluded from this definition.(150) But as Piven emphasizes, the real key to the definition of a social movement is the idea of collective defiance.(151)

Collective protest by subordinate social classes is not a common occurrence since it arises only out of major societal dislocations which are capable of transforming the under classes "from apathy to hope, acquiescence to indignation, and passivity to activism."(152) But neo-conservative regimes, like the Reagan administration, are vulnerable to provoking the creation of just such an oppositional social movement because they have offended and attacked the vital interests of so many groups. Piven and Cloward write hopefully of the possibility of an alliance between labour, the poor, minorities, women, the aged, the unemployed, the
environmental movement, and religious, student, civil rights and civil liberties groups. (153) The coalescence of these elements into a coherent social formation, however, has remained only at the stage of potentiality, except in British Columbia where for at least a brief moment, with the rise of Solidarity, this scenario was realized.

The creation of a social movement, while being instrumental in building an effective bulwark against neo-conservatism, raises its own difficulties. How can unity be maintained in broadly based united fronts? What dangers and opportunities are opened by the use of the 'political strike', especially in the case of the general strike? Does the 'threat' which these movements pose to parliamentary democracy doom them to failure in liberal democracies? Piven and Cloward argue that the only way in which concessions may be extracted from the power structure by the under classes is through the use of insurgency. They contend, moreover, that attempts directed toward the building and sustaining of formal mass-membership organizations are counter-productive because such attempts direct energy away from "mobilization for insurgency". (154) Questions are thus raised concerning the efficacy of building organizational structures as opposed to direct, immediate action to win reforms.
Notes

1. The Honourable Hugh Curtis, Minister of Finance, British Columbia Budget, 1983 (Victoria: Queen's Printer, 1983) p. 3


4. Ibid., p. 28


6. Ibid., p. 128


9. Ibid., p. 202


13. Royal Commission on the Economic Union and Development


18. Gough, The Political Economy of the Welfare State, pp. 3-4


20. Djao, op. cit., p. 42


25. Ibid., p. 3


33. In the case of Britain, Thatcher used the Falklands crisis to resurrect the former grandeur of the British Empire and not coincidentally rejuvenate the fading fortunes of her Conservative Party in the public's mind. See, for instance, the *New Left Review* No. 134, July/August 1982 special edition on the Falklands war. Likewise, the Reagan administration has actively promoted the 'new cold war' in a successful attempt to politically polarize opinion and strengthen the forces of the right. For example see the *Socialist Register, 1984*, edited by Ralph Miliband, John Saville and Marcel Liebman (London: The Merlin Press, 1984) on the uses of anti-communism.

34. Amott and Krieger, op. cit., p. 13


41. Gonick, op. cit., pp. 24-5


44. Comparative OECD rates of inflation between 1971 and 1984 can be found in Ruggeri, op. cit., p. 297 Table 3.


50. See Anthony H. Birch, "Political Authority and Crisis in Comparative Perspective" in Banting (ed.) State and Society, op. cit.


53. Ibid., pp. 6-7

54. Ibid., p. 8

55. Ibid., pp. 12, 113, 106-7, 113, 6


57. Buchanan and Wagner, op. cit., pp. 4-19


60. Ibid., p. 43

61. Ibid., p. 45


64. Offe, "Competitive Party Democracy", op. cit., p. 182


122


69. Alan Wolfe, "Sociology, Liberalism, and the Radical Right", p. 15


72. Giddens and Held, op. cit., p. 194

73. Leys, "Neo-conservatism", p. 52


75. Alan Wolfe, "The Crisis of Liberal Democracies --- Part 1"

76. Piven and Cloward, The New Class War, p. 39


78. Ibid., p. 149


82. Leys, "Neo-Conservatism", p. 43


85. Vernon Bogdanor, "Of Lions and Ostriches: The Meaning of Mrs Thatcher's Victory", Encounter, September/October 1983, p. 18


90. Marilyn Power, "Falling Through the 'Safety Net': Women, Economic Crisis, and Reaganomics", Feminist Studies, Vol. 10, No. 1, Spring 1984, p. 34

91. Offe, "Reflections on the Welfare State", p. 289

92. Ibid., p. 290


97. Ibid., p. 4

98. Fiona Atkins, "Thatcherism, Populist Authoritarianism and the Search for a New Left Political Strategy", *Capital and Class*, No. 28, Spring 1986, p. 27


100. Gough, "Thatcherism and the Welfare State", p. 8


103. Atkins, op. cit., p. 27


106. As quoted in Ibid., p. 167


108. Enhrenreich, op. cit., p. 166

109. Ibid., p. 164


113. Claus Offe, "Ungovernability": The Renaissance of Conservative Theories of Crisis" in Offe, op. cit., p. 66

114. Phillips, Post-Conservative America, p. xviii

115. Offe, "Ungovernability", pp. 70, 78


119. Power, op. cit., p. 42

120. Ibid., p. 47


122. Power, op. cit., p. 43

123. Himmelstein, op. cit., p. 16


129. Leys, "Neo-conservatism", p. 42


136. Habermas, "Conservatism and the Capitalist Crisis", pp. 73-74

137. Errol Black, "The State of Canada's Unions", *Canadian Dimension*, Vol. 21, No. 8, January 1988, p. 29 Table 1

138. Ibid., p. 30

139. Peter Hain, *Political Strikes* (Harmondsworth, England: Penguin Books Ltd., 1986) pp. 20-21. With regard to the increasing use of back-to-work legislation in Canada, data reveals an upward spiral in its use since the mid-1960s. For example, the period 1960-64 witnessed Canadian governments utilizing such legislation only three times, compared to the period 1980-84 where it was resorted to no less than nineteen times. See W. Craig Riddell, "Canadian Labour Relations: An Overview" in W. Craig Riddell (ed.), *Canadian Labour Relations Royal Commission Research Studies*, Vol. 16 (Toronto: University of Toronto Press for Supply and Services Canada, 1986) p. 20 Table 1-1.


144. Piven and Cloward, *The New Class War*, pp. xi, 125, 128

145. Ibid., p. 143


149. Ibid., pp. 299-300

150. Useem, op. cit., p. 5

151. Piven, "The Structuring of Political Protest", p. 300


153. Piven and Cloward, *New Class War*, pp. 139-140

154. Majka, op. cit., p. 283
Chapter 3

Staples, Class and State: The Political Economy of British Columbia

Introduction

The economic crisis of the 1980s brought with it a 'new political reality' concerned with challenging 'consensus' politics, the erosion of the welfare state and the rise of the political right. The assault upon the public policy agenda of the 1960s and 70s has thrust the issue of the nature of state power to the forefront. An analysis of the British Columbian political scene in the 1980s must be situated within an understanding of the nature of the capitalist state. Neo-Marxist accounts of state theory too often have ignored the role which class and social struggle have played in shaping the nature, form and scope of legislation passed by the liberal democratic capitalist states. Too often, policy formation has been viewed by these state theorists as something imposed from the top. A problem for Marxist state theory, then, has been the question of what role class struggle has had in directly influencing the type and scope of legislation enacted by the capitalist state.

While the activities of class and social struggles are important forces influencing the state, constraints generated by the structural forces of the economy also play a prominent role in
limiting the autonomy of the state. In the case of Canada, and particularly British Columbia, the staples dependent nature of the economic base must be taken into consideration. Mapping out the political economy of the B.C. state involves a three part process. First, an analysis of the staples-based economic foundations of the province must be provided, including a treatment of shifting markets. Second, a documentation of the altering class structure of the region is necessary. Finally, an outline of a theory of the capitalist state, incorporating the influence of staples and class, must be broached.

The Structure of British Columbia's Economy: Staples as the Engine

I. Staples Societies: Some Theoretical Considerations

Before a more detailed examination of British Columbia's economy is undertaken, some theoretical considerations are pertinent. The purpose of this discussion is not to produce a full-blown theory of staple-based economies and dependent development, but rather to briefly sketch some of the major characteristics of such economies so they may serve as a useful guide in examining British Columbia's current economic situation.

The 'staples approach' has without doubt been the major theme running through Canadian economic historiography. (1) Harold Innis, the leading proponent of this approach, contended that the motor of the Canadian economy did not lie in the development of a
manufacturing base but rather rested in the exploitation of key domestic natural resources for export. The Canadian economy was set in motion by a series of staple products, (2) first fish, then moving through furs, timber, wheat, industrial minerals and finally energy resources. Staple exports were the key to growth and prosperity; they were "the leading sector of the economy and set the pace for economic development." (3)

The economic relationship which this generated, however, was not an equal one, but one in which Canada occupied a hinterland position in relation to metropolitan economies. The task of the staple society was to perform the function of "hewer of wood and drawer of water." In Innis' words: "The economic history of Canada has been dominated by the discrepancy between the centre and the margin of western civilization." (4) Canada's economic role was to provide to the manufacturing industries of the metropolis a succession of staple products. The staple trade served to prime the industrial pump of advanced industrial nations. (5)

The Canadian case is most interesting because of the importance of the sub-units of governments. Many of the provinces, like British Columbia, are important economic entities in their own right. They are 'mini-staple societies' with margin-centre relationships of their own which link them both to foreign metropoles and central Canada.

The staple theory bears major similarities to a growing literature on dependency theory which began to develop in the 1960s. A fruitful examination of much of Canada's, and especially
British Columbia's history could be undertaken by utilizing as a starting point Dos Santos' definition of dependency as: "a situation in which a certain group of countries have their economy conditioned by the development and expansion of another economy, to which their own is subjected."(6)

The temptation to blindly equate Canadian economic relationships with those of the third-world economies must, however, be resisted. Staple theory is not "a general theory about the growth of export-oriented economies", but rather applies to the special case of new countries (white settler colonies) or as Mel Watkins refers to them, "staple societies". These "staple societies" from the beginning had the social relations of production transferred to them from the centre but, because their growth was dependent on staple exports, they, from the outset, developed dependency characteristics similar to those of an underdeveloped country.(7) They were societies born rich, with inherited Western political and social institutions. Characterized today by their liberal-democratic/welfare state political systems and high wage labour forces, they possess the political and social class structures and historical and cultural traditions of core countries.

Their path to development, however, is that of "soft capitalism". What is meant by this is that industrial development is at best only "partial because of the long-term danger inherent in export-led growth."(8) The danger referred to includes the boom-bust cycles which afflict these economies; export dependent
peripheries are characterized by their greater vulnerability to economic disruption and crisis due to volatility in resource markets and prices. Economic diversification may occur in staple societies, such as extensive development of the tertiary sector, but such diversification will be dependent on a healthy staple sector for its survival. In short, this type of dependent development also means extremely vulnerable development.

Dependency theory draws attention to capitalism as a world system and sensitizes the analyst to the importance of changes in capitalist developments at a global level. It places emphasis upon the altering 'international division of labour'. What staples and dependency theory present is an alternative approach to the developmentalist theorists' 'stages of growth' explanation of economic development, one which gives recognition to the predominant place of resource-led exports to the future growth and prosperity of peripheral economies. They are approaches which provide insights and concepts useful to an examination of societies with hinterland economies.

II. The British Columbia Economy

The general model of Canadian economic history outlined by Innis some fifty years ago fits British Columbia's development pattern as much today as at any time in the recent past. Due to geographical factors, a major agriculturally-based staple never emerged in B.C. but the dominant pattern of staple-based
production did. A large part of the nineteenth century provincial economy was dominated by the Hudson Bay Company which extracted the province's rich beaver pelts. In the 1850s, for a brief time, a gold boom occurred and small scale mining operations dotted some of the major rivers of the lower half of the province. The advent of modern canning techniques in the late 1800s opened the way for commercial harvesting of the large stocks of northern Pacific fish, most particularly salmon. Around this same time-period, San Fransisco emerged as a major urban centre and this provided a market for coal from Nanaimo and other small B.C. mining communities. The development of a substantial forest industry had to await the opening of the Panama Canal in 1914. It was at that time that lumber became cost-efficient enough to ship to hungry British, eastern Canadian and American markets. The increasing resource demands of a newly emerging Imperial America after World War II thrust other mineral, natural gas and hydro electric power resources on to the scene as important provincial export commodities.

British Columbia's economy is unique in Canada in a number of respects. Unlike the Atlantic region or Quebec, B.C. has experienced rapid economic growth since 1867 and, in common with the golden horseshoe, has enjoyed real per capita incomes consistently above the national average. While the province has shared prosperity with central Canada, its economic evolution has diverged. The central Canadian economy diversified around its export base, forging substantial forward and backward linkages.(9)
By contrast, the west coast economy has remained locked in staple-based production. There is a homogeneity to the B.C. economy because of its dependence, directly and indirectly, on the extraction of forest, mineral and water resources. B.C. shares staple-led growth with its prairie neighbors but, unlike them, it has not been solely dependent on one commodity but rather has relied upon a variety of continually emerging new staples, as well as the forest resource which has remained its single most important staple since the early 1900s.

Of all the regions of Canada, British Columbia is clearly the most international in its orientation. Statistics from the B.C. Ministry of Finance reveal that, from the 1960s through the mid-1970s, 40 per cent of the annual provincial commodity product was exported, a figure which jumped to some 55 per cent after 1976. In 1976 this export accounted for a value of $5,269.6 million. Further, the Ministry estimated that an equally large share of provincial income was generated each year by such exports. Major exports include pulp and paper, lumber, coal, natural gas, copper, zinc and fish products. The industrial structure disclosed by this trade pattern demonstrates that relatively little value is added through secondary manufacturing to the province's staple exports. B.C. manufacturing is almost exclusively of a primary nature, centring on production of pulp, newsprint, standardized cuts of lumber and metal ingots. These products are transported out of the province in these crudely
processed forms to await further processing into fine papers, furniture, machinery, etc. at other production sites.

A brief survey of two key contemporary B.C. staple industries (forestry and coal mining) provides insights into the orientation and nature of the provincial economy as a whole. As a 1984 study by the Economic Council of Canada notes: "The forest industry ... is the single largest industry in British Columbia, forming the economic base of the province."(14) It is an industry dominated by less than a dozen giant integrated corporations. "The largest, MacMillan Bloedel Ltd. [according to figures from the 1976 Pearse Royal Commission on Forest Resources], holds 12.8 per cent of allowable annual cut and owns over 56 per cent of the province's papermaking and 28 per cent of its pulp-manufacturing capacity.(15) The forest industry displays monopoly features which characterize the remainder of the major sectors of the provincial economy. The emergence of monopoly capitalism in B.C. was a very early phenomenon. Rennie Warburton and David Coburn suggest that by the 1800s monopoly capital had become firmly established in the fish and canning industry and that distinct trends in that direction were already apparent in manufacturing and other resource industries.(16) The transformation from an entrepreneurial to a monopoly capitalism in British Columbia, according to Resnick, was marked by the replacement of robber barons by multinational corporations(17) such as the forestry conglomerates Macmillan Bloedel and Crown-Zellerback.
The B.C. forest industry today is in a state of crisis that in numerous respects is not unlike that faced by the north Pacific fishery. There is a structural dimension to the current state of provincial forestry. Due in large part to the lack of long-term planning and because of an inadequate forestry management policy, a situation exists where, as a 1980 study by the B.C. Ministry of Forests concludes, the present levels of forest resource supply cannot be sustained in the future. Further, when mature stocks of trees are eventually depleted (an event not that far distant) inferior second-growth timber will be much more difficult to market. (18) Forest resource depletion has been a problem long recognized. The government of the province, in a submission to the Rowell-Sirois Commission in 1938, called attention to the B.C. forest resource, claiming that it should not in all practicality be considered a renewable resource because the product takes up to hundreds of years to grow and that "once harvested, [it] can never be replaced". (19)

Other challenges to the industry are Africa and South America as substantial future competitors. The development of tree plantations in countries with climatic conditions which produce high yields and rapid growth may well serve to undercut the competitive position of the B.C. forest industry. Furthermore, the province faces the potential, according to the Economic Council of Canada, of losing its major market, the United States, due to expanding plantation forestry production in the American south. (20)
The forest industry is the most continentally integrated of all the province's staple resources. In 1978, the peak year for B.C. lumber shipments, for instance, 65.1 per cent of exports were destined for U.S. buyers. Since that time, there has been some attempt to diversify markets in the direction of Japan and Europe, to reduce B.C.'s vulnerability to the fluctuations of a single American market. However, forestry is an industry which symbolizes past provincial ties, developed after World War II, with the American metropole. It remains unclear whether these attempts to diversify forest products markets will significantly alter the historical pattern of dependence upon American buyers, especially given the adoption of the Canada-U.S. Free Trade Agreement.

The contemporary B.C. coal mining industry by contrast, is oriented towards a new core economy, Japan. The Economic Council of Canada has identified metallurgical coal, unlike forestry, as a growth industry. Between 1970 and 1982, B.C. coal production increased by 300 per cent, and in the 1971 to 1980 period, demonstrated a price rise of 80 per cent. The reason for this demand for metallurgical coal arises largely out of the emergence of Japan in the early 1970s as the world's major steel producer.

While B.C. coal has been identified as a growth industry, it is only potentially so. Compared to its performance during the 1970s, the industry is now depressed. Coal prices peaked in 1976, with significant downward trends since. As of early 1984, the
outlook still called for no real price increases. More recent long-term contracts to suppliers generally have annual price determination clauses,\(^{(23)}\) and the existence of these may cast doubt on the future viability of extremely expensive coal projects, such as North East Coal, whose future was determined on the basis of peak year prices and continued strong demand.

The current price weakness is a reflection of several factors. The present recession has resulted in a drop in steel demand. Consequently, Japanese buyers have cut back from 10 to 50 per cent on contracted B.C. coal deliveries. Besides such short-term fluctuations, there are long-term reasons for pessimistic forecasts about the future of metallurgical coal. First, the demands for coal are subject to technological changes in the steel industry which have made steel furnaces much more fuel efficient and which have made them adaptable to fuel oil substitution. Second, steel is increasingly being replaced by the use of plastics, with the most significant changes occurring in the heavily steel-dependent auto industry.\(^{(24)}\)

Along with these problems, British Columbia enjoys no competitive advantage over rival suppliers of coal and, in fact, suffers from a significant disadvantage. The major coal exporters are the United States, Australia, Africa and Poland, followed by the secondary producers of the USSR and Canada. With regard to the Japanese market, which is the major market on the Pacific Rim, B.C. stands as a third source supplier behind Australia and the United States, providing an annual fluctuating supply of between
10 and 20 per cent of Japanese imports. A major problem facing B.C. as a supplier of Japan is that its coal has the highest transportation costs (a very important component in the cost of production). In short, British Columbian coal production costs are high and it must compete in an environment with many sellers but few buyers. The dangers that this presents to the province are echoed by the Economic Council of Canada: "... high delivery costs, Japan's powerful position as the largest single buyer, and the presence of numerous other suppliers, all put Canada at considerable risk in selling coal." In an attempt to diversify their markets, B.C. coal producers have been looking increasingly to the newly industrializing countries (NICs) of the Pacific Rim. Countries like South Korea and Taiwan have been developing a major steel producing capacity and, thus, they represent potentially important markets for metallurgical coal. (25)

The forest and coal industries reveal the fact that B.C. is a hinterland region tied by bonds of trade to a larger capitalist world. As Philip Resnick has noted, the province "has served principally as a source of raw materials and staple products for metropolitan markets and as a market for finished products from these countries." (26) B.C. has been described as "as an imperial rather than a Canadian province." (27) The province serves as a hinterland to the United States, Japan, Europe and central Canada, with the source of this dependence shifting over time. British Columbia's economy has been sensitive to the changing
Table I

Exports of B.C. Products, 1952-1980

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>284.9</td>
<td>508.1</td>
<td>697.8</td>
<td>1041.4</td>
<td>1886.3</td>
<td>4526.6</td>
<td>-15.6</td>
</tr>
<tr>
<td></td>
<td>(58.6)</td>
<td>(67.8)</td>
<td>(57.3)</td>
<td>(51.2)</td>
<td>(48.7)</td>
<td>(43.0)</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>17.1</td>
<td>28.6</td>
<td>126.6</td>
<td>387.5</td>
<td>863.0</td>
<td>2181.9</td>
<td>18.9</td>
</tr>
<tr>
<td></td>
<td>(3.7)</td>
<td>(3.8)</td>
<td>(10.4)</td>
<td>(19.1)</td>
<td>(22.3)</td>
<td>(22.6)</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>132.7</td>
<td>110.4</td>
<td>190.9</td>
<td>207.5</td>
<td>264.3</td>
<td>625.9</td>
<td>-20.8</td>
</tr>
<tr>
<td></td>
<td>(27.3)</td>
<td>(14.7)</td>
<td>(15.7)</td>
<td>(10.2)</td>
<td>(6.8)</td>
<td>(6.5)</td>
<td></td>
</tr>
<tr>
<td>European Economic Community</td>
<td>11.1</td>
<td>25.6</td>
<td>74.7</td>
<td>190.6</td>
<td>457.2</td>
<td>1347.7</td>
<td>11.7</td>
</tr>
<tr>
<td></td>
<td>(2.3)</td>
<td>(3.4)</td>
<td>(6.1)</td>
<td>(9.4)</td>
<td>(11.8)</td>
<td>(14.0)</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>8.4</td>
<td>13.7</td>
<td>30.9</td>
<td>45.6</td>
<td>88.9</td>
<td>207.4</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>(1.7)</td>
<td>(1.8)</td>
<td>(2.5)</td>
<td>(2.2)</td>
<td>(1.6)</td>
<td>(2.1)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>31.1</td>
<td>63.6</td>
<td>98.0</td>
<td>159.5</td>
<td>242.6</td>
<td>1138.3</td>
<td>5.4</td>
</tr>
<tr>
<td></td>
<td>(6.4)</td>
<td>(8.5)</td>
<td>(8.0)</td>
<td>(7.9)</td>
<td>(8.8)</td>
<td>(11.8)</td>
<td></td>
</tr>
</tbody>
</table>

world-economy in that its trade pattern has demonstrated significant shifts towards rising economic powers.

During the years of Hudson Bay Company dominance, export trade was directed predominantly towards Britain. This pattern remained in place, with some diversification, until WWII. The war marked the final collapse of Britain as a first class military and economic power. The United States emerged from the period as the undisputed economic and military giant, and B.C.'s economy became increasingly tied to it. By 1970, however, the United States' economic hegemony began increasingly to be challenged by Japan and the European Economic Community. This alteration was also reflected in B.C.'s trade pattern. Paul Philips has argued that the province is striving to become a "commercial empire of the Pacific."(28) Growing ties between B.C. and Japan in the coal trade are indications of this. An investigation of trade statistics (See Table I) does in fact point to large declines in American and British destined exports and significantly large increases in Japanese-based exports. The proportion of Japanese-based exports increased from 3.7 per cent of exports of B.C. products in 1952, to 22.6 in 1980; at the same time U.S.A.-destined exports fell from 58.6 per cent to 43 per cent from 1952 to 1980, while Britain's share declined from 27.3 per cent to only 6.5 per cent in these same years.

BC Business, the province's monthly business magazine, heralded 1979 as the first time Canada's Pacific trade surpassed that of its Atlantic.(29) In 1980, it reported, B.C. exported some
$4 billion worth of products to Pacific Rim countries. (30) A 1984 editorial gave recognition to the new place the Asian Pacific holds in the world economic order.

For the past twenty years new economic developments have been taking place in the world. The countries of Asia and the Pacific Rim are moving swiftly towards the twenty-first century in a global race for economic primacy. Beginning with Japan's steady march in the 1960s, with an unmatched economic growth rate of 10 per cent annually, and followed by the emergence of the newly industrializing countries (NICs) —— South Korea, Taiwan, Singapore and Hong Kong —— Canadians have awakened in the 1980s to the fact that the Asian Pacific region is the new locomotive of dynamism in the world today. (31)

What has been transpiring is nothing less than a restructuring of the world economy. The newly industrializing countries have marked growth rates well above those found in the OECD nations (twice the OECD's 1963-73 growth rate and three times its 1973-76 rate). (32) These countries witnessed their share of world manufacturing exports increase by 2 per cent per annum between 1967 and 1977 so that by the end of that time-period their percentage of the world manufacturing trade stood at 4.6. (33) The NICs are increasingly becoming the sites of industrial production due to such attractions as extremely cheap labour pools and the financial advantages offered to firms in these countries' "free production zones". There is emerging a "new division of labor in the Global Factory" according to Richard Barnet. (34) The old industrial core regions like Britain and the American Eastern seaboard and mid-west are de-industrializing as industry shifts to these new third world sites. Among the OECD nations, Japan has
proved to be the exception to the rule, as it has continued to rapidly expand while the others have become relatively stagnant.

British Columbia too has been affected by this de-industrialization process. Thousands of unionized jobs in the forest industry have been lost due to global corporate rationalization and technological change. But perhaps the most significant effects have been the reduction in the demand for B.C. resources and a shifting of staple markets to the Pacific Rim. (35) The previous discussion of the forest and coal industries gives evidence of these changes.

Resnick contends that "a Pacific Rim strategy is the formula for a new dependency for B.C." (36) He further asserts that: "B.C.'s position within the new empire of the Pacific is as a raw material supplier to an industrial machine [Japan] which in turn dominates the markets of Southeast Asia and beyond." (37)

The British Columbia economy does not consist solely of the natural resource sector. In fact, in terms of direct provincial employment, the extractive staple sector employs relatively few, while the tertiary sector engages over two-thirds (70.6 per cent in 1981) of all B.C. workers. This fact does not, however, negate the primary position occupied by the staples sector. While the forest industry directly employs only about 9 per cent of the B.C. labour force, it is credited with the responsibility of providing indirect employment to approximately 30 per cent of the provincial work force. (38) The impact is even more noticeable outside the lower mainland where almost every town and valley is directly
dependent on forestry. (39) Vancouver is a managerial-service centre with a large tertiary sector which to some degree services the larger Canadian west. In the final analysis, however, the tertiary sector is dependent upon the long-term health of the staples trade.

Nonetheless, the B.C. class structure in the 1980s has come to reflect the pattern of occupational composition of the core countries which the province services. This has meant a decline in the relative size of the manual occupational categories and the rapid expansion of the tertiary sector. The Economic Council of Canada had identified the single largest industrial division in B.C. as employment in community, business and personal services. Employment in this field expanded enormously between 1961 and 1981, increasing from 22.1 to 30.5 per cent of total provincial employment. Employment in trade was a distant second, totaling 17.6 per cent of the workforce in 1981. (40) It is significant that community, business and personal services absorb such a large part of the province's paid employment. A major component of the workers employed under this category fall into the area of community services, that is, education, health and welfare service jobs. This expansion represents a significant increase over the years in what is the public and para-public sectors. (41) The decline of the traditional working class has been paralleled by the rise of a white collar working class, largely located in the public sector, and a new middle class. This changing class map is,
<table>
<thead>
<tr>
<th>Industry</th>
<th>1974</th>
<th>1981</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>155,267*</td>
<td>220,533</td>
<td>+6.6 (45.1)</td>
</tr>
<tr>
<td>(39.2)</td>
<td>(39.2)</td>
<td>(45.1)</td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>12,591</td>
<td>18,740</td>
<td>-6.6 (3.8)</td>
</tr>
<tr>
<td>(3.2)</td>
<td>(3.2)</td>
<td>(3.8)</td>
<td></td>
</tr>
<tr>
<td>Transportation,</td>
<td>53,202</td>
<td>69,914</td>
<td></td>
</tr>
<tr>
<td>Communication and Utilities</td>
<td>(13.5)</td>
<td>(14.3)</td>
<td></td>
</tr>
<tr>
<td>Primary Industries</td>
<td>18,497</td>
<td>8,114**</td>
<td></td>
</tr>
<tr>
<td>(4.7)</td>
<td>(1.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>52,469</td>
<td>78,431</td>
<td></td>
</tr>
<tr>
<td>(13.3)</td>
<td>(16.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>103,820</td>
<td>92,507</td>
<td></td>
</tr>
<tr>
<td>(26.4)</td>
<td>(19.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White Collar Total</td>
<td>167,858</td>
<td>239,273</td>
<td>+6.6 (49.0)</td>
</tr>
<tr>
<td>(42.4)</td>
<td>(49.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blue Collar Total</td>
<td>227,988</td>
<td>248,966</td>
<td>-6.6 (51.0)</td>
</tr>
<tr>
<td>(57.6)</td>
<td>(51.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>395,846</td>
<td>488,239</td>
<td></td>
</tr>
</tbody>
</table>

* Percentages may not total 100% due to rounding.

** Logging in 1983 was included in the manufacturing sector.

Source: Data used to construct the Table was obtained from B.C. Ministry of Labour, BC Labour Directory, Errata Sheets, 1983, p. 15, and BC Labour Directory, 1975, p. 6.
# Table III

## Percentage Breakdown of B.C. White Collar Union Membership, 1983

<table>
<thead>
<tr>
<th>Tertiary Sector</th>
<th>Number of Union Members</th>
<th>Percentage of Tertiary Union Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade</td>
<td>18,740</td>
<td>7.8*</td>
</tr>
<tr>
<td>Finance, Insurance and Real Estate</td>
<td>10,800</td>
<td>4.5</td>
</tr>
<tr>
<td>Community Services (Education, Health and Welfare Services)</td>
<td>106,090</td>
<td>43.4</td>
</tr>
<tr>
<td>Business and Personal Services</td>
<td>21,610</td>
<td>9.0</td>
</tr>
<tr>
<td>Public Administration</td>
<td>82,033</td>
<td>34.3</td>
</tr>
<tr>
<td><strong>Federal</strong></td>
<td>16,704</td>
<td>20.4</td>
</tr>
<tr>
<td><strong>Provincial</strong></td>
<td>40,745</td>
<td>49.7</td>
</tr>
<tr>
<td><strong>Municipal</strong></td>
<td>24,584</td>
<td>30.0</td>
</tr>
</tbody>
</table>

* Percentage may not total 100% due to rounding.

**Source:** Table constructed from data obtained from B.C. Ministry of Labour, *BC Labour Directory*, Errata Sheets, 1983, p. 15.
Table IV
The Largest Ten Unions in British Columbia

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50,197</td>
<td>B.C. Government Employees' Union</td>
<td>1</td>
<td>50,254</td>
<td>2</td>
<td>50,086</td>
<td>2</td>
<td>37,637</td>
</tr>
<tr>
<td>2</td>
<td>32,805</td>
<td>International Woodworkers of America</td>
<td>2</td>
<td>42,048</td>
<td>1</td>
<td>50,682</td>
<td>1</td>
<td>45,943</td>
</tr>
<tr>
<td>3</td>
<td>30,248</td>
<td>B.C. Teachers' Federation</td>
<td>3</td>
<td>30,864</td>
<td>3</td>
<td>29,913</td>
<td>3</td>
<td>24,852</td>
</tr>
<tr>
<td>4</td>
<td>29,676</td>
<td>Canadian Union of Public Employees</td>
<td>4</td>
<td>30,480</td>
<td>4</td>
<td>27,836</td>
<td>4</td>
<td>18,096</td>
</tr>
<tr>
<td>5</td>
<td>24,449</td>
<td>Hospital Employees' Union</td>
<td>5</td>
<td>25,190</td>
<td>6</td>
<td>23,238</td>
<td>10</td>
<td>11,395</td>
</tr>
<tr>
<td>6</td>
<td>21,484</td>
<td>Teamsters</td>
<td>6</td>
<td>24,191</td>
<td>5</td>
<td>23,594</td>
<td>5</td>
<td>17,745</td>
</tr>
<tr>
<td>7</td>
<td>17,393</td>
<td>Carpenters</td>
<td>7</td>
<td>17,806</td>
<td>9</td>
<td>15,260</td>
<td>7</td>
<td>13,567</td>
</tr>
<tr>
<td>8</td>
<td>16,836</td>
<td>B.C. Nurses' Union</td>
<td>9</td>
<td>16,500</td>
<td>7</td>
<td>16,250</td>
<td>6</td>
<td>15,237</td>
</tr>
<tr>
<td>9</td>
<td>15,706</td>
<td>Food and Commercial Workers</td>
<td>8</td>
<td>16,951</td>
<td>8</td>
<td>15,756</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>14,037</td>
<td>Public Service Alliance of Canada</td>
<td>10</td>
<td>15,458</td>
<td>13</td>
<td>13,000</td>
<td>9</td>
<td>12,320</td>
</tr>
</tbody>
</table>

of course, closely related to the development of the Keynesian welfare state.

This altering provincial occupational structure has also come to make its presence felt in the primary class institution of B.C. workers, the trade union movement. Increasingly, union membership in the province has taken on a white collar cast. While in the first half of the century, union strength and militancy were centred squarely in the resource industries, beginning in the 1960s union organizing found a new source of recruits in the white collar trades. Between 1974 and 1983, white collar union membership has come to nearly equal that of blue collar. (See Table II) In this period, white collar union membership increased its share of the proportion of total provincial membership by 6.6 per cent. Table III points to the core source of white collar union membership, namely in the public and para-public sector. Public administration accounted for 34.3 per cent of the 1983 B.C. white collar union membership, with one half of this total located in the provincial state. But the largest component of such union membership fell within the para-public sector, fully 43.4 per cent of the 1983 total.

Examining the membership histories of the largest ten unions in the province between 1974 and 1983 (See Table IV) reveals the increasing importance and strength which white collar unions have come to possess. The most impressive growth has been that of the B.C. Government Employee's Union (BCGEU) which moved from number two ranking in 1974 to overtake the International Woodworkers of
America (IWA) in 1982 for the number one spot. The BCGEU increased its membership between 1974 and 1983 by over 13,000, while the IWA's membership declined sharply by about the same amount. The B.C. Teachers' Federation, which held third place over this period, also registered increased membership, but by a more modest 5,396. The Hospital Employees' Union also made substantial advances, growing from number ten spot in 1974 to number five in 1983, more than doubling their membership. By 1983, fully seven out of the top ten unions in the province were service sector ones.

The shifting class structure most certainly had important effects upon the economy and the political system. However, staples remain the motor of the B.C. economy. The province's political economy is fundamentally structured as a supplier of raw materials to the industrial heartlands.

As the staples theory reveals, resource-oriented economies are most vulnerable to economic crisis. They are economies marked by boom and bust cycles. The 1940 Report of the Royal Commission on Dominion-Provincial Relations related its observations on the province's vulnerability at the time of the economic crisis of the 1930s:

The British Columbia economy was fully exposed to the unfavourable influences of the world depression. Employment was heavily dependent upon production for foreign markets. As the prices and markets for raw material exports fell, unemployment became chronic. Unlike the Maritimes or the Prairie Provinces, British Columbia's export industries are operated by large-scale corporate methods in which the workers are wholly
dependent upon wages. In the former Provinces, where individual enterprise located in rural areas is predominant, at least some degree of self-sufficiency is possible. In British Columbia, when export markets and prices decline sharply, large numbers of labourers are left completely without means of support and must be looked after by public relief.(42)

This assessment is as valid in the 1980s as it was in the 1930s.

The report went on to compare Canada's trade and financial position, an analogy that is even more fitting to the B.C. boom-bust cycle, with "that of a small man sitting in a big poker game. He must play for the full stakes, but with only a fraction of the capital resources of his two substantial opponents; if he wins, his profits in relation to his capital are very large, but if he loses he may be cleaned out."(43)

Premier Bill Bennett, in a major address to the province in March 1984, discussed the "New Economic Reality" confronting B.C. in the 1980s. He announced:

We have been hit hard by the worst recession since the Great Depression of the 1930's --- a global recession ... that struck all parts of the world ... and reached into our homes to affect our everyday lives.

... Two-thirds of our economic wealth is generated through exports ... and we have no choice but to remain competitive on a world scale.

... We must challenge ourselves and each other ... to meet the real needs of competing in a totally restructured world market --- and we must do it quickly.(44)

This alarming message stood in stark contrast to the general mood of the late 1970s when it seemed that B.C. was recession-proof.(45) For instance, in 1984 about one in ten
British Columbians survived solely on welfare, and one in five depended upon some form of state assistance. Unemployment officially stood at near 15 per cent; business bankruptcies were up and investment down. B.C. had become the most economically depressed province west of Newfoundland.

The staples economy of British Columbia was assaulted by a world recession which had a particularly devastating effect upon natural resource prices which have failed to significantly recover with the somewhat improved economy of the latter 1980s. The provincial economy is confronting changes in the international balance of economic forces and is responding to this by attempting to shift its orientation more towards the Pacific Rim. Further, there are serious structural problems which face the forest industry in the near future, which raise serious questions concerning the long-term prosperity of the province.

The Capitalist State: Contending Interpretations

The role of the state in liberal democratic society and the influences which class and economic forces have on its operation are of central importance to this thesis. In order to ascertain the interaction of these forces, it is useful to identify various theoretical positions on the nature of the state under capitalism, and then to outline the conception of the state that makes up the analytical framework of this dissertation.
Pluralist theorists have adopted a view of the state in capitalist society which visualizes it as a mechanism which aggregates the interests of competing groups in society. The state is a political marketplace and legislation a response to the demands of various groups and individuals with no necessarily dominant one within it. (48) The liberal version of the nature of politics maintains that the purpose of democratic political institutions is to produce a societal consensus out of these multiple competing interests. Liberal democratic government, since it is representative, is able to shape a consensus out of these competing claims, through the process of give and take. The liberal version is that political institutions are neutral, which allows the political system to act as a mediator in the struggle surrounding political issues to ensure that harmony and equilibrium prevail. Consensus is obtained by splitting the difference and thus liberal democracy awards all contending interests some benefit—politics is conceived as a 'positive sum' game. The political process allows for a measure of rough justice to be achieved for all citizens. This is politics as the art of the possible; that is, its essence is compromise. (49) This conception of politics leads pluralists to avoid the use of the term 'the state' altogether; instead they prefer to employ the concept of the 'political system'. This is because they visualize politics as a process and the state simply as a useful facilitator of this process; the state is not viewed as central within it.
From the pluralist perspective, the state and economy are "related but differentiated structures." (50) There is a division of labour between the state and markets, and it is under the operation of this separation that economic prosperity is most likely to occur. Given this belief, liberalism attempts to exclude the political structures, i.e. the state, from constitutional responsibility for the operation of the economy. In this way, democratic institutions can be distanced from the private sector and market forces, and the reality of formal political equality alongside wide-spread economic inequalities is rationalized and legitimated. (51) For laissez-faire liberals like Milton Friedman, there is an organic relationship between capitalism and liberal democracy; according to such theorists the existence of a capitalist marketplace is the precondition for political freedom. (See chapter 2 for an extended discussion on this point.)

Notions of class and class conflict, at least as Marxists understand and deploy these terms, are denied in this liberal perspective. Pluralists recognize and even utilize terms like 'capitalist' and 'worker' but they are defined simply as occupational categories bereft of any meaningful collective content. (52) The elite pluralist theorists do give recognition to the group content of political struggle, but again the state is seen as a neutral party, and there is a measure of equality which they award to the political competition between the elites --- any notion of a dominant class is rejected out of hand.
Neo-Marxist instrumentalist versions of the state, by contrast, take as their starting point the notion that the state is the instrument of the ruling class. The origins of this formulation can be traced back to the *Communist Manifesto* where Marx and Engels stated that: "The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie." Ralph Miliband in *The State in Capitalist Society* articulated this version of the state when he stressed that the history of capitalist governments has been one in which the population has been "governed, repressed, administered, judged and commanded in war by people drawn from other, economically and socially superior and relatively distant classes."(53)

Another version of this instrumental approach is the idea of "corporate liberalism". Articulated in the American context by James Weinstein in *The Corporate Idea in the Liberal State*, it proposes the thesis that the most conscious sectors of business, in reacting against the threats of class struggle from below, develop and endorse an ideology, corporate liberalism, which establishes the ideological limits of reform. Weinstein attempted to demonstrate that the liberalism which emerged out of the Progressive era and which was later reflected in such schemes as the New Deal and the Great Society was in fact the conscious creation "of leaders of the giant corporations and financial institutions".(54) The development of the modern welfare state, in this scenario, is articulated and imposed from the top, albeit in
reaction to indirect pressure from below. Public policy is substantially shaped and formulated by the corporate elite itself.

By contrast, in the neo-Marxist structuralist version of state theory, the dominant class is not required to play a leading role as an overt actor in state policy formation. The interests of the dominant class and that of the state coincide. The state policies adopted are determined by the constraints of the capitalist system itself. As Nicos Poulantzas notes:

... if the function of the state in a determinate social formation and the interests of the dominant class in this formation coincide, it is by reason of the system itself: the direct participation of the members of the ruling class in the state apparatus is not the cause but the effect, and moreover a chance and contingent one, of this objective coincidence.(55)

The analysis of the functions that the state must fulfill in order to reproduce capitalist society thus becomes a major object of the structuralist approach. James O'Connor's The Fiscal Crisis of the State may be situated in this context. O'Connor outlines the dual function of the capitalist state, namely to facilitate capital accumulation and to ensure that the system is legitimated. This conception of the capitalist state depicts it as "an essentially reactive institution which expands in direct response to the obstacles the capitalist class encounters in its relentless drive to accumulate."(56) In a similar vein, Frances Fox Piven and Richard Cloward's work, Regulating the Poor, documented and advanced the argument that the political and economic functions of the welfare state were little more than measures designed to prop
up and reproduce the capitalist system. Their aim was to expose the social control functions of the welfare state. (57)

Pluralist theories of the state can be dismissed because they depict the state as a neutral institution and fail to deal with class and class domination at all. The neo-Marxist instrumentalist approach, in contrast, is too reliant upon observable class input. It fails to account for the degree to which the demands and interests of the dominant class must account for and be limited by historical and social conditions, especially the shifting levels of class struggle. (58) The state in this formulation enjoys no independence from the dominant class; it is merely their instrument.

James Weinstein in the U.S. and Alvin Finkel in Canada have, by focusing on elite class organizations like the National Civic Federation and the Canadian Manufacturers Association, been led into adopting a top-down approach. The emphasis on corporate leaders and their organizations have led them to have little regard for either social struggles or socio-economic structures. This fails to account for the developments taking place within the system; it does not answer the question as to why capital perceived the need to incorporate the working class more fully into the system at certain points in time (59) and why, at other points, reforms are rescinded. Class struggle is seen here as an external force that activates the leading politically conscious sectors of the bourgeoisie but which has little political effect as a direct force.
The neo-Marxist structuralist approach, according to Gosta Esping-Andersen, et. al., is unable to explain "class action that arises from class consciousness". For Poulantzas, liberal democracy provides the necessary space for:

different fractions of capital to bargain with each other, so enabling a compromise to emerge which is in the long-term interests of capital; second, it enables the institutionalization of popular struggles and hence of social reformism; and third, it atomises classes and other social groupings into individualized citizens subject to a national rather than a class interest.

But, again, the capitalist state operates in a manner which is inherently complementary to the bourgeoisie. State theorists like Poulantzas and Miliband have in fact viewed the state only from a negative perspective. That is, their visions of the state suggest it acts only to stabilize capitalist economic enterprise or to prevent the development of revolutionary forces. The state, however, must be seen in a larger context and not simply as limited to reproducing existing capitalist economic relations.

As indicated in Chapter 2, neo-Marxist state theorists have in the past demonstrated a blind spot with regard to the role of class struggle. The state has been viewed almost exclusively in terms of what it does on behalf of the capitalist class. The welfare state is, as Ian Gough reminds us, inherently contradictory. Much of it runs counter to the rationale of the market. This helps explain the recent attacks upon it by capital. It is important to keep in mind that social legislation is
supported by various classes, not only for different, but often, exactly opposite reasons. (63)

It is largely in the political arena in advanced capitalist countries where class conflict occurs. Liberal democracy, it must be remembered, is an institution which came into being because of prolonged and often bloody campaigns by the working classes in advanced capitalist countries. (64) While it is true that capital may be able to manipulate the state, it does not do so exactly as it pleases; it is constrained by class struggle. (65) What is required is to situate class struggle at the heart of neo-Marxist theories of the state, while at the same time acknowledging the restraints placed upon the state by larger economic forces. Naturally, this is especially important in a staples economy like British Columbia's. The recognition of class struggle as primary aids in the restoration of the concept of "human agency" to the centre of Marxist thought. (66)

A Theory of the Advanced Capitalist State Outlined

Pat Shannon correctly identifies a useful neo-Marxist theory of the advanced capitalist state; it holds specifically, "a middle position where the requirements of the capitalist mode of production are given priority, yet adequate attention is given to intentional human action", notably class struggle. (67)

A brief sketch of such a general neo-Marxists theory of the state in late capitalist society follows. The theory proposed here

159
can be categorized as operating from a structure/action framework. A number of assumptions prevail here:

1. that the state is a "liberal democratic" one.
2. that there exist classes and class struggle.
3. that class power, both economic and political, is unequally held in society.
4. that the state constitutes one arena where class struggle occurs.
5. and that each state has its own unique constellation of class forces and that these forces are not static but in a continuous process of change.

The seeming dichotomy between the structure/action framework is overcome in this way: the mode of production is a structure with its own laws of development. It has "a history which is produced by the working of anonymous system forces." Within this mode of production there naturally exist classes (which in part define this mode of production) and it is their action which modifies and makes "concrete the history of the structure." "Thus", according to Laurence Harris, "the structure (mode of production) and the agents of action (classes) are inextricably bound together rather than being dichotomized."(68) However, neither capital, labour nor any other class represent undifferentiated wholes. Capital is factionalized into numerous distinct segments, the most prominent division being between monopoly capital, with its international orientation, and small business, whose horizon is limited to the regional context. Likewise, the working class is segmented between, for example, the
public and private sectors, male and female, employed and unemployed. The behaviour of these and other class factions, such as the new middle class, as well as the interests of classes as wholes, must therefore be considered.(69)

The laws of supply and demand do in fact "act as anonymous system forces giving effect to the structure's influence." Markets for labour, finance and commodities do then "impose their own constraints upon the development of the economy, the state and other aspects of society, and they would do so in an anonymous way even if trade unions and employers did not play any organized political role in those markets."(70) Furthermore, no matter what government leaders or various classes wish to do, as long as they remain within a capitalist socio-economic framework, they will be constrained both by the nature of the capitalist economy and by the need for the capitalist state to reproduce capitalist social relations. The essential feature of the capitalist economy is capital's control of investment and accumulation. Thus, a refusal of the state to act in a manner which will ensure capitalism's survival will bring about a refusal on the part of the bourgeoisie to invest, leading to high unemployment and recession and ultimately (unless, of course a revolutionary option is enacted) the political demise of the group holding elected office.(71)

This is not, however, to say that the state is the direct instrument of capital. The state does in fact exercise 'relative autonomy'. The manner in which this is generally articulated must,
on the other hand, be rejected. 'Relative autonomy' has been used, according to Berch Berberoglu, to mean:

... that the state in capitalist society is relatively autonomous in relation to the various factions of the bourgeoisie, such that the process at work is one in which the state takes up the role of arbitrator of the varied interests of the different factions of the bourgeoisie against the proletariat, as opposed to that of an agent to 'reconcile' the conflicting interests of the bourgeoisie and the proletariat in the class struggle.(72)

This conception of the term, then, takes the state to be the instrument of the capitalist class, serving that class's interests as a whole while still maintaining its relative autonomy from its various factions. The difficulty, of course, with this ruling class conception of the state is its extreme pessimism concerning the ability of the working class or other classes to protect and advance their interests, since all popular gains are in actuality the work of the bourgeoisie.(73) At the opposite pole, Fred Block has endorsed a "full autonomy" position, suggesting that the state is free from the direct constraints of the capitalist class in its operation of government.(74) While Block pushes too far this notion of the state's freedom to operate, his challenge to the 'relative autonomy' theorists has served to give emphasis to the leadership role which state actors can play in forging new policy directions. This vanguard policy-making role may be identified in the path-breaking actions of many neo-conservative governments which have attempted to radically restructure their society's socio-economic structure at a much faster pace than the majority
of the capitalist class thought possible, or, in some instances, advisable.'

'Relative autonomy' must be extended to embrace and incorporate the dialectics of class struggle. It must be understood, with Esping-Andersen et. al., that the state must be moved out of its role of dependent agent of capitalist rule "into the sphere of class struggle" where capitalists, workers, and other classes are in conflict "to exert their power to influence state policy"(75). However, at the same time, it must be stressed that class struggle does not simply involve the battle of workers to win reforms and the struggle by capital to maintain the status quo. The capitalist class is also grappling to change government policy decidedly in its favour.(76) State "intervention always reflects the relations of forces among all classes, factions and strata" and not just the dominant class or faction. The state may 'favour' or be more heavily influenced by certain classes or class factions, but one can agree with Phillippe Herzog that government actions in liberal democracies very rarely "directly meet the demands of specific interests but are imposed on all interests." Class antagonisms will often upset the equilibrium and the compromises which are involved in sustaining such policies.(77)

In the 1980s (as discussed in Chapter 2), it is evident that the consensus that supported the Keynesian welfare state has come unglued. A changing international political economy, coupled with deep economic recession, weakened the power of workers and enhanced the position of capital. This has established the
material foundations upon which the economic and social reforms, won earlier in the century, could be fundamentally challenged. Bob Jessop sets out the unstable character of consensus in capitalist society. As he concludes:

Indeed the contradictions inherent in state intervention and the ever-changing relations of forces mean that consensus is always partial, unstable, and provisional. But, in so far as monopolies stay economically dominant and can resist effectively when interests vital to their collective survival are threatened, then successive compromises mediated through a relatively autonomous state will reproduce its political domination. (78)

In the case of the "staples state", (79) as a consequence of its dependent development, its vulnerability to capitalist forces is particularly acute during economic downturns, and it is then that the tensions between the legitimation and accumulation roles of the state come more especially to the fore. One of the defining characteristics of the staples state, which distinguishes it from many other advanced capitalist states, is its legacy and continued practice of substantial government intervention into the economy and society. This statist tradition was a result of the fact that private capital was unable or unwilling to invest the large amounts of money necessary to develop the transportation infrastructure essential to exploit the staples trade. Consequently, the state was compelled to become directly active in the economy in order to aid in the pursuit of private capital accumulation. This state interventionist role, however, did not end at infrastructure development, but permeated other spheres
such as industrial relations. While state intervention is not unique to the history of the development of capitalism, one feature which does seem to distinguish the staples state from most other capitalist states is the historical continuity in the active use of government to promote capital accumulation. During periods of crisis the staples state is more apt to directly intervene in the economy and society in order to promote accumulation and repress dissent.

Conclusion

The neo-Marxist theory of the capitalist state that informs this thesis is one which gives the structure (mode of production) predominance, yet allows room for human agency (class struggle). The structural constraints, and most especially the limits imposed by a staples-based economy, provide the broad framework in which class struggle is waged. The liberal democratic state is 'relatively autonomous' but this 'relative autonomy' is defined through class struggle. The various classes and class factions do not, of course, have equal power but it can be safely stated that monopoly capital is the most powerful force.

The acceptance of the political arena in liberal democracy, including state policies, as a forum for class struggle and the recognition of the existence and struggle of various class elements naturally leads one to the acknowledgement that alliances are generally forged between classes and factions around broad
political issues or specific government policies. The wide usage of such terms as the 'Keynesian coalition' is a recognition of the fact of class and factional alliances. Class and factional power and alliances are not, of course, static; they are in the continuous process of change over time. At points of crisis, the consensus which provided relative stability and harmony within the system becomes destabilized and there is a struggle to forge a new hegemony. Policies and practices which were relevant in one epoch are not necessarily suitable in another. Fundamental policy shifts by the state which adjust the balance between accumulation and legitimacy are likely to occur. As well, the utilization of state coercion, rather than consent, becomes more likely.
Notes


2. "Export staples can be identified as industries based on agricultural and extractive resources, not requiring elaborate processing and finding a large portion of their market in international trade."


9. Forword linkage refers to the further processing of the staple near its site of production; i.e. before the staple is exported, value is added to the commodity. Backward linkage refers to the development of products for use in staples production. For example, the development of an industry to produce mining equipment for use in mineral extraction. See: Mel Watkins, "A Staple Theory of Capitalist Growth".

10. William Marr and Donald G. Paterson, Canada: An Economic


13. On this point see Marr and Paterson, op. cit., p. 446

14. Economic Council of Canada, Western Transition (Ottawa: Minister of Supply and Services Canada, 1984) p. 41


18. Economic Council of Canada, op. cit., p. 40

19. The Government of the Province of British Columbia, British Columbia in the Canadian Confederation, Submission presented to The Royal Commission on Dominion-Provincial Relations (Victoria: King's Printer, 1938) p. 36


21. Ibid., p. 44

22. Ibid., p. 109

23. Ibid., pp. 109-110

24. Ibid., p. 110
25. Ibid., p. 109-111

The newly industrialized countries (NICs) consist of four Asian nations (South Korea, Taiwan, Hong Kong and Singapore) and two Latin American countries (Brazil and Mexico).


27. R.H. Coats and R.E. Gosnell were quoted in Philip Resnick, "B.C. Capitalism and the Empire of the Pacific", Paper presented to the Western Sociology and Anthropology Association Meeting, Winnipeg, March 4-6, 1981, p.1

28. As quoted in Resnick, "B.C. Capitalism", p. 1


30. Ibid., p. 67

The Pacific Rim nations include Japan, China, Taiwan, Hong Kong, Vietnam, the Philippines, Singapore, Thailand, Malaysia, Indonesia, Australia and New Zealand.


36. Resnick, "B.C. Capitalism", p. 20

37. Ibid., p. 15

38. Warburton and Coburn, op. cit., p. 14

Rennie Warburton and David Coburn provide an even higher estimate, if direct and multiplier employment effect is utilized. Under this tabulating procedure the forest industry is responsible for fully half the provincial labour force employment. See "The Rise of Non-Manual Work in British

40. Economic Council of Canada, op. cit., pp. 150-151

41. Warburton and Coburn, op. cit., p. 15

42. R. Sirois, Chairman, Report of the Royal Commission on Dominion-Provincial Relations, Book I (Ottawa: King's Printer, May 3, 1940) pp. 171-172

43. Ibid., p. 182


45. Personal notes from Dr. A.R. Dobell, "Economics and Politics in British Columbia", a public lecture sponsored by The Vancouver Institute, University of British Columbia, October 13, 1984

46. "Welfare A Way of Life For 1 in 10", The Vancouver Sun, November 1, 1984, p. 1

47. Ben Tierney, "Bennett's restraint policy helps to make B.C. a wasteland", The Montreal Gazette, September 22, 1984, p. 8

48. Gosta Esping-Andersen, Roger Friedland and Erik Olin Wright, "Modes of Class Struggle and the Capitalist State", Kapitalistate, No. 4-5, Summer 1976, p. 187


51. Ibid., pp. 427-428

52. Ibid., p. 136

53. As quoted in Esping-Andersen, et. al., op. cit., p. 187

In the Canadian context Alvin Finkel adopted this perspective to explain the origins of Canadian welfare state policies. *


58. Esping-Andersen, et. al., op. cit., p. 189


60. Esping-Andersen, et. al., op. cit., p. 189


64. Ibid., p. 60

65. Esping-Andersen, et. al., op. cit., p. 198

66. Capitol Kapitalistate Collective, "Typology and Class Struggle: Critical Notes on 'Modes of Class Struggle and the Capitalist State'", *Kapitalistate*, No. 6, Fall 1977, p. 207


69. Ibid., p. 256

70. Ibid., p. 257


73. Richard Flacks, "Marxism and Sociology" in Ollman and Vernoff, et. al., p. 37


75. Berberoglu, op. cit., p. 136


78. Ibid., p. 62

79. This term has been utilized by Melissa Clark-Jones, A Staple State: Canadian Industrial Resources in Cold War (Toronto: University of Toronto Press, 1987).

Chapter 4

Politics, Struggle and Public Policy in British Columbia

The Shaping of Politics in a Resource Based Democracy

The political history of British Columbia has diverged significantly from the dominant Canadian pattern. B.C. politics has always been flavoured by politically salient social class divisions which established the basis for a left-right ideological schism running deeper here than in any other Canadian province. Donald Blake has observed that:

History has bequeathed to British Columbia a provincial party system based on the class divisions of the modern industrial state. Contemporary politics are suffused with the rhetoric of fundamental conflict between left and right. Politicians display and manipulate the powerful symbols of free enterprise and socialism, although a significant populist residue remains affecting the style of politics as well as its substance. (1)

It is upon this framework that the history of B.C.’s political evolution must be drawn. The following provides some explanation as to how neo-conservatism was able to find a constituency in B.C. It also indicates how an organized response opposing this radical policy direction could arise. The argument herein is that turbulent class conflict, endemic to the province, underwent something of a hiatus with the inception of the welfare state,
only to re-emerge to breach the confines of party politics in 1983. Despite numerous labour struggles, such as the slow rise of public sector unionism, the welfare state period was one of general consensus which sought to contain and balance the demands of labour and business. Governments of the right and left, with some variations, largely adhered to welfare state objectives. By examining previous labour, capital and state interactions from roughly 1920 to 1982, the qualitative difference between 1983 and former politics and policies may be perceived.

While, in Britain, the development of new political parties and the occurrence of political change can be traced to the extension of the franchise to the working class, in Canada, as a whole, these processes have been viewed as a consequence of the extension of the frontier. In Britain, the working class alone was responsible "for launching new political movements and upsetting the traditional party system." In Canada this role has been largely attributed to the "new agrarian class" which developed in the prairie region. In both instances, in Britain and Canada, class cohesion served as a necessary ingredient in altering the existing party system. The primary factor triggering the prairie protest was the economic vulnerability of wheat farmers and their sudden and often drastic fluctuations in income. In contrast to the general Canadian pattern, protest politics in British Columbia did not have its roots in the agrarian sector; however, the politics of protest in B.C. did display aspects of both the British and Canadian patterns, for it was influenced and shaped by
both working class radicalism and the frontier nature of the province. One of the primary factors spawning political protest in B.C., as in the agrarian class of the prairies, was the "common economic vulnerability" which the logger, fisherman and miner shared with the prairie wheat farmer; all were subject to forces such as world commodity prices, weather (the hazards of drought, low yields and fire) and other such variable factors. (2)

The boom and bust pattern of development characteristic of the Canadian West proved to be a fertile soil for radical ideas. In the case of B.C., these ideas were not subject to the moderating effect of proprietorship (ownership of land and equipment) which tempered the protest politics of the prairie farmer. (3) The frontier has been most commonly perceived as a leveller --- as a force "which broke down class distinctions because men were equal, free and far from the traditional bonds and constraints of civilization." However, this was a thesis, as David Bercuson reminds us, that mainly applied to the agricultural frontier. British Columbia, in contrast, was marked by the experience of an urban-industrial and hinterland-extractive frontier distinguished by polarized communities, and jobs that were unrewarding, dangerous, with little opportunity for upward mobility. (4) Martin Robin wrote of B.C. in terms of a "corporate frontier": "British Columbia has long been a 'company' province and the large enterprise, rather than the small family homestead, is the dominant shape on the social landscape." (5)
This company province was marked by company-owned towns and single industry communities. At the beginning of the century, it was in such settlements that large numbers of workers were to be found. These communities were characterized by a very clear and harsh division between classes, a division which bred the development of extreme polarization and group consciousness. These towns featured only two important institutions, the company and the union. The employers were generally "robust newly-risen capitalists" who were solely concerned with quickly extracting as much profit from the workers as possible. (6) They dominated the towns, not only as the sole employer, but as virtually the only landlord and merchant. Consequently, a middle class was conspicuously absent within these company towns. Unions developed because they offered workers some measure of power and protection against the companies; they, to some degree, counterbalanced the power of the employer. As well, unions furnished workers with halls for socializing, drinking and other forms of recreation. The workers' identification with the union under such circumstances was often complete. (7) As Robin observes:

The closed nature of many homogenous, single-industry mining and lumbering communities with no middle class to mediate industrial conflict, in which class lines are clearly drawn, has contributed to the development of an intense working class consciousness. (8)

The class polarization which typifies the company town has to a degree become the paradigm for the province as a whole. "There has always been", Philip Resnick has concluded, "a strong
anti-capitalist consciousness in this province, in opposition to the exploitative practices of the robber barons and resource-based corporations."(9)

The militancy of the B.C. resource proletariat was firmly established and measurable by the turn of the century. By this date, Stuart Jamieson concludes, B.C. was "the most strike-prone province and a major centre of labour unrest in Canada."(10) The province was to retain its leadership position, both in the numbers of workers involved in strikes and in the length of strikes, through most of the decades of the 20th century.

The same buccaneer capitalists who ran the company towns also dominated the early governments of the province. One has only to recall the economic and political power of the Dunsmuirs in B.C.'s history to substantiate the point. This political and economic dominance of the employer forced workers in B.C. to develop a labour movement which, from the outset, was both militant and political, "intent on checking the powers of the employing class in a company dominated province."(11) Seymour Martin Lipset has made the observation that, in the Western world, it has been fishermen, dockworkers, miners, lumbermen, and railway construction workers who have formed the vanguard in support of socialist parties.(12) In Canada workers employed in these occupations were concentrated in large numbers in British Columbia and thus it should not be surprising that a strong socialist working class tradition should emerge here.(13) Prior to World War I, only in B.C. were socialist representatives returned to the
provincial legislature and to Parliament. (14) Between 1903 and 1933, socialist parties captured between 10 and 20 per cent of the vote. (15) Workers in British Columbia in this period had experimented with various shades of left wing ideas, ranging from moderate labour reformism to the revolutionary syndicalism of the Industrial Workers of the World. (16) They had been politically active not only at the ballot box but had also waged political protest in the form of demonstrations and even the general strike.

While labour and socialist MLAs were elected to political office before 1933 and at times, as in 1898, held the balance of power in the Legislature, electoral politics in this period was generally an affair contested between Liberals and Conservatives. It was only with the founding of the Cooperative Commonwealth Federation (CCF) in 1933, and the provincial election of that year, that a "bipolar" (17) contest emerged between the "socialists" and parties supporting private enterprise. This date marked a watershed for B.C.'s provincial party system; the two-party system of Liberals and Conservatives had become a battle between Liberals and the CCF. Since this time: "Much of the modern development of the provincial party systems in British Columbia might be described as coming to terms with the socialists." (18) The CCF/NDP has consistently been able to capture at least one-third of the vote in provincial elections and, while forming the government only once, has maintained its status as the Official Opposition on all but one occasion.
Not coincidentally, as the struggle for electoral office intensified between the socialist and bourgeois parties, issues of public policy which deeply concerned workers came to the fore of the political agenda. Given the constitutional division of powers in Canada, it was the provinces which largely became the battlefields for welfare reform.


In discussing the appearance of the welfare state in British Columbia, one must be aware of the federal nature of the Canadian political system. In Canada, there exists a "state system"; that is, several states within one national boundary, each with separate spheres of power. This jurisdictional division of powers emerging out of Confederation was to have profound impact on the development of the 'Canadian' welfare state. What were perceived by the 1867 British North America Act to be the important areas of concern were issues of economic development, taxation, criminal law, defence, immigration, banking and currency. Control over these areas was consequently placed largely within the federal government's realm by the Fathers of Confederation who were concerned with establishing a strong central government. The provinces, in contrast, were awarded jurisdiction over matters that were then regarded as of minor or merely local concern, such as the administration of justice, "and the establishment and maintenance of prisons, hospitals, asylums, and charitable institutions." Section 92 of the BNA Act described provincial
responsibilities in the phrase: "Generally all Matters of a merely local or private Nature in the Province." (20)

The modern day pillars of the welfare state, education, health and social welfare issues, then seemed of little concern since the perceived role of the state at that time was very limited with regard to the provision of these services. Education and 'charity' were seen as areas where the church and individual citizens and, in the last resort, the municipality should perform the primary functions of assistance. However, the industrialization and urbanization of the nation, along with social changes wrought by the Great Depression and the two World Wars, profoundly altered the role of the state and the social and economic management demands placed upon the various levels of government. These factors were especially significant in strengthening the powers and importance of the provinces.

In Canada, the 1940s has generally been recognized as the time when the major features of the welfare state were set in motion. Most have focussed upon the role of the federal government in establishing the social safety net, while little consideration has been given to the provincial level where demands for such changes were anticipated and often initiated. British Columbia in the 1930s, in fact, was a leading force contributing to the growth of the welfare state.

The Rowell-Sirois Commission reported that between 1921 and 1930 substantial increases in government expenditures occurred. This spending was concentrated in jurisdictional areas falling
within the provincial and municipal domains. Of the increased $200 million in government expenditure during this period, only $33 million were accounted for by the federal government. In addition, during this time, the provinces and municipalities accumulated a debt worth $1 billion. Spending on welfare and highways was responsible for the greatest part of this increased expenditure and debt burden. According to the Report:

Between 1921 and 1930 current public welfare expenditures of all governments rose 130 per cent. The Dominion share of this increase was confined almost entirely to the financial old age pensions schemes and relief grants which reappeared again in 1930. Three-fourths of the added outlays were borne by the provinces and municipalities. However, at the end of this period public welfare still absorbed less than one-fifth of the provincial-municipal revenues.(21)

B.C.'s submission to the commission similarly noted the greatly expanded increases in provincial government social spending after WWI. Prior to the war, the few provincial funds earmarked for social spending were primarily distributed through private charitable institutions and associations. Government was guided by the legacy of the Elizabethan poor laws which regarded the provision of relief, health measures and welfare as local responsibilities.(22) In 1927, however, Margret Ormsby contended that British Columbia had become "the most advanced welfare province in Canada."(23) Certainly, to term B.C. in 1927 a welfare province greatly overstates the case, but the point remains that initial steps in the direction of a more comprehensive 'social welfare' package had been made in B.C. On the labour front, the
Victoria legislature had enacted laws governing the hours and conditions of work for miners, as well as minimum wage legislation. In 1917 B.C. became one of the first provinces to establish a workers' compensation scheme, a scheme which was the most advanced for its time. On a more general social front, the province established a limited old age pension scheme, a Deserted Wives' Maintenance Act, and Mothers' Pensions; as well there was serious talk of introducing a health insurance program. The province had been pushed toward these reforms not simply by the advance of industrial capitalism and the need to rationalize the social and economic system, but by class struggle.

While social policy by today's standards was greatly underdeveloped, it began to take on a new significance in the first decades of the 20th century. The whole question of social policy has been, according to Ian Urquhart, "a significant, but academically neglected, aspect of province-building's substantive dimension", a dimension ignored in favour of an emphasis upon provincial economic development goals. Assisting in capital accumulation may still have been the overwhelmingly dominant function of the state in the opening years of the century but legitimation took on an increasing importance. By 1930 the extended range of state activity, in the words of the Rowell-Sirois Report, greatly increased "the prestige and power of the provincial governments." This, along with an increasingly important and growing provincially-controlled natural resource sector, which added important revenues to provincial coffers,
greatly enhanced the position of the province in relation to the federal government. But the major transformation of the state and the state system in Canada was yet to come.

The 1930s saw the most severe economic depression the Western capitalist system had yet experienced. Dislocation and economic hardship became daily realities for the majority. North America was hard hit by the economic downturn --- but no section of the continent felt its effects more sharply than the resource-producing centres. These economic conditions contributed to a militancy for radical change among citizens. For the governments of the day, this new economic reality often meant almost certain defeat at the polls, as popular demands could not be satisfied by fiscally and ideologically constrained governments. The times paved the way for political and ideological shifts, as parties struggled to devise alternatives to placate discontented electorates. Such was the case in British Columbia in 1933.

During the 1933 provincial election, Liberal leader T.D. Pattullo campaigned against the Conservative government on a platform which promised a "new deal". B.C., and most especially Vancouver, had by 1930 had become the protest centre of the unemployed. The Vancouver Unemployed Workers' Association had been formed in 1929 and had conducted a vigorous campaign of agitation against the government. There had been numerous clashes between the authorities and the unemployed, and the army of the down-and-out was quickly becoming radicalized. The Conservative
government's only substantive response to these pressures was to set up relief camps in an attempt to isolate and contain the disruptive elements. (27) The situation was polarizing the electorate and contributing to sympathies for socialistic ideas.

The economic and political atmosphere opened an avenue for the B.C. Liberals, who moved to occupy a position in between the socialists and the advocates of laissez-faire capitalism. Pattullo adopted policies which were considerably to the left of any of the mainstream political parties, nationally or provincially. (28) "Work and wages" became the Liberal rallying cry. It was a promise whose fulfilment meant a break from the ideological mold which elsewhere typified the Liberal and Conservative parties. Pattullo envisioned a greatly enhanced role for the state. The burdens which the new economic environment placed on the population necessitated greater government control, regulation and direction of private industry. Capitalism would not be abolished but it would be steered in directions which would serve, rather than work against, the interests of the people. It was a new era which Pattullo saw emerging, one he labelled "socialized capitalism". (29) Martin Robin described Pattullo's use of the term in this way:

Socialized capitalism prescribed vigorous state action to stimulate growth, return purchasing power to the people and take up the slack of employment where private enterprise had failed. (30)

It was not coincidental that 1933 also marked the appearance of the CCF on the B.C. political scene, posing a new challenge to
the old line parties. The CCF found a ready base of support in the province, which already possessed a relatively strong labour and socialist undercurrent. It was the 'instant' popularity of this challenge from the left which pushed the Liberals to embrace a reform platform, to electorally check the socialists. The results of the 1933 election were testimony to the changing mood of the electorate. The Liberals captured office with 35 of 48 seats and the CCF became the Official Opposition with only 7 seats, but a significant 31.5 per cent of the vote. The province had clearly voted for change in a leftward direction and an increased role for the state in meeting social needs.

Directly after the election Pattullo began the implementation of his "work and wages" promise with an allocation of three million dollars to unemployment relief. By the time he was ready to go to the polls again in 1937, the first phase of his "little New Deal" had come to near completion. As control agencies, he had established both an industrial relations board and an agricultural marketing board. A program of public works had been set up, with the building of the New Westminster toll bridge serving as the largest of such projects. This was clearly a copy, though on a much reduced scale, of Franklin D. Roosevelt's public works schemes such as the Tennessee Valley Authority.

Welfare services were also improved, the work week in all major industries was reduced to forty-eight hours, the minimum wage was raised, and more funds were allocated to education.
An investigation committee to develop a State Health Insurance plan was established, and in 1936 a Health Insurance Act was actually passed. The legislation, however, was never implemented by the government because of intense pressure exerted by the medical community. However, it must also be noted that, while the drive toward social welfare reform was the most pronounced of anywhere in Canada at this time, the treatment of the unemployed and trade unions remained at best ambivalent. Repression was often resorted to when the working class seemed to pose a threat to the state and private property. The longer term interests of the propertied classes, as far as the government was concerned, had to be respected.

The aftermath of the 1937 election, which saw the Liberals re-elected, marked the end of Pattullo's work and wages experiment. The electoral threat from the CCF, along with class pressures from below, had eased, allowing the Liberals to move more cautiously with social reform. Bruce Hutchinson had concluded that B.C. in 1935 was "probably the most radical area in all of Canada," with some 100,000 unemployed, who were especially politically active and militant. But, by the end of 1935 the militancy had peaked and the dangers of 'socialism' seemed more remote.

After 1937, the second phase of socialized capitalism included price controls through government regulation of key private sector industries. Thus, while the first phase saw the government move to "raise mass purchasing power through government borrowing and
spending, money management and other devices", the second witnessed the province's attempt to raise consumer income by reducing "the cost of goods by attacking the forces which raised prices." To achieve the latter, in 1937 the Liberal government passed the Coal and Petroleum Control Board Act to regulate monopoly price setting in these industries. Furthermore, in 1938, a three person commission was established to regulate prices in the transportation, water, telegraph, electric light and telephone industries.(41)

By 1939 a leading Canadian expert on the question of welfare and public health, Harry M. Cassidy, observed that in B.C. "the gross problems of 1933 had been largely conquered and great progress had been made towards giving the province a modern, efficient set of social services." The expenditures which the province had made on public health and welfare were much higher than the national average and greater than those of any other province in the latter 1930's. Further, Cassidy noted that B.C. led the country in almost every program and area of welfare and public health.(42)

Ormsby contended that Pattullo was "the first of the radical premiers of the 30s to emerge", and the leading Canadian figure to champion the cause of "progressive liberalism".(43) She observed that:

Without studying Keynesian economics, he had come to the conclusion that government must create jobs and pay wages. He believed in what he called "socialized Credit": the extension of federal assistance for public works and for other
beneficial projects. Schools, hospitals and welfare agencies, he thought, must not suffer for lack of funds during the depression, and he believed that private industry could be stimulated by "pump-priming". He had confidence in the importance of economic planning and he thought that the experts should be consulted. He had arrived at his opinions quite independently of outside influences, but he could not but be struck by their similarity to those of Franklin D. Roosevelt. "His [Roosevelt's] Inaugural Address", he wrote to a friend, "in respect to proposals to meet the present situation, would lead one to think that he had been reading our Liberal platform, and some of our speeches."(44)

In Canada, Keynesian-style, demand-led state management was first practiced in British Columbia. The national impact of Pattullo's programs was profound. "He helped to move Canada forward on the path of state-planning for economic and social betterment."(45)

The provinces were experimental laboratories in social reform, but not only for liberal/left wing experimentation, as in B.C. under Pattullo and Saskatchewan under the CCF, but also for conservative/right wing 'reform' as in Alberta under the Social Credit. It was often at the provincial level where the pressures from social class forces and the modernization of the economic structure were felt most intensely. Given the federal division of powers, a great deal of latitude was possible to test social welfare reform at the regional level. Other provinces and the federal government could, once the reforms had proven successful, proceed cautiously. British Columbia played a pioneer role in the 1930s in helping to set the foundations for the Keynesian welfare state in Canada. In the 1980s, B.C. would once again receive
### Table V

**Percentage of Union Membership for B.C. and Canada, 1942-1983**

<table>
<thead>
<tr>
<th>Year</th>
<th>Per cent B.C. Union Membership*</th>
<th>Per cent Canadian Union Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>28.8</td>
<td>20.6</td>
</tr>
<tr>
<td>1943</td>
<td>39.7</td>
<td>22.7</td>
</tr>
<tr>
<td>1944</td>
<td>40.4</td>
<td>24.3</td>
</tr>
<tr>
<td>1945</td>
<td>38.9</td>
<td>24.2</td>
</tr>
<tr>
<td>1946</td>
<td>33.6</td>
<td>27.9</td>
</tr>
<tr>
<td>1947</td>
<td>35.7</td>
<td>29.1</td>
</tr>
<tr>
<td>1948</td>
<td>40.0</td>
<td>30.3</td>
</tr>
<tr>
<td>1949</td>
<td>42.0</td>
<td>29.5</td>
</tr>
<tr>
<td>1950</td>
<td>43.0</td>
<td>-</td>
</tr>
<tr>
<td>1951</td>
<td>-</td>
<td>28.4</td>
</tr>
<tr>
<td>1955</td>
<td>49.1</td>
<td>33.7</td>
</tr>
<tr>
<td>1960</td>
<td>50.1</td>
<td>32.3</td>
</tr>
<tr>
<td>1965</td>
<td>43.2</td>
<td>29.7</td>
</tr>
<tr>
<td>1970</td>
<td>43.5</td>
<td>33.6</td>
</tr>
<tr>
<td>1975</td>
<td>43.9</td>
<td>36.8</td>
</tr>
<tr>
<td>1980</td>
<td>43.7</td>
<td>37.6</td>
</tr>
<tr>
<td>1981</td>
<td>43.9</td>
<td>37.4</td>
</tr>
<tr>
<td>1982</td>
<td>47.0</td>
<td>39.0</td>
</tr>
<tr>
<td>1983</td>
<td>46.1</td>
<td>40.0</td>
</tr>
</tbody>
</table>

*Union membership is calculated as a percentage of total paid workers (non-agricultural).

attention for its attempts to lead the nation in pathbreaking public policy formation with its new 'restraint' agenda.

The Coalition Against the Socialists

Between 1933 and 1941, the Liberal Party of B.C. occupied a position at the centre of the political spectrum, with its primary opposition coming from the CCF on its left, but also opposed on its right by the Conservative Party, which was now reduced to third party status. However, the 1941 election brought forth a new dimension to B.C. politics because the Liberals failed to win an absolute majority of seats. In fact, while the Party won more seats than the CCF, the CCF out-pollled the Liberals in popular votes. Several factors were accountable for the growth of the CCF in British Columbia. For one, there was a great expansion of union membership during the war years. (See Table V) Between 1939 and 1945, membership more than doubled. "The connection between trade union membership and voting CCF lay in the reinforcement of socio-economic pressures upon the individual." Further, by 1948, union supporters of the CCF had managed to obtain control of the B.C. Federation of Labour,(46) the Vancouver Labour Council and the largest and most powerful union in the province, the International Woodworkers of America (IWA) from the Communists, thus gaining a more solid base of support among the B.C. labour leadership. However, this 'victory' was achieved only by a protracted and bitter struggle between the Red and White Blocks in
the B.C. labour movement. (47) In practice the CCF victory proved to be a source of strength and weakness for, while it provided strong allies for the party in institutionalized labour positions, it also served to reinforce the polarization between the social democrats and communists in the provincial labour movement, a division in which each side would go to great lengths to thwart the other. (48)

The new political situation, and the retirement of Pattullo, led the propertied class to pressure the Liberal and Conservative Parties to form a coalition. Popular commentators like Bruce Hutchinson utilized the press to call for a co-operative commonwealth federation of the right to meet the CCF threat. (49) The Liberals' delicate political situation, along with the war, made the idea of a coalition attractive, and in December of 1941 a Liberal/Conservative coalition government was formed.

Blake contends that: "Appearances to the contrary, the coalition was not designed as an instrument to contain the left by preventing the fragmentation of the free enterprise vote." In support of this position, he cites the initial invitation extended to the CCF to participate in an all-party coalition. (50) However, a more convincing scenario is presented by Sanford who viewed the invitation as little more than a trap set for the CCF. Liberal and Conservative attempts to bring the CCF into an all-party government, he maintains, "were motivated by a desire to keep the socialists from gaining the benefits of opposition status and by the hope that appeals to patriotism would create the image of a
non-political coalition and of an uncooperative and even disloyal CCF."

The 1944 election victory of the CCF in Saskatchewan made a deep impression on the B.C. Liberals and Conservatives. This event served to maintain and increase "the willingness of traditional party leaders to preserve the coalition arrangement in the post-war period." It is likely that the coalition prevented the CCF from gaining power in the 1945 election. Instead the CCF was reduced to only 10 seats. After 1945 the coalition contributed to a process of 'defeatism' which set root in the B.C. CCF. By 1949 the CCF had declined as an electoral threat, which set the stage for important alterations in the coalition.

The easing of the CCF threat allowed the Liberals and Conservatives more time to concentrate on their own differences. The Conservatives were particularly concerned that the Liberal-dominated coalition had pushed them to support policies much further to the left than they were ideologically comfortable with. This concern was especially present over the 1948 compulsory health scheme. With this as a backdrop, the 1951 new electoral system was adopted by the Coalition. It was a system designed to allow both the Liberals and Conservatives to stand for office on their own and yet still prevent the CCF from snatching victory at the polls. The new single transferable ballot would allow voters to rank their candidates in order of preference with an MLA elected when any one candidate obtained an absolute majority of
votes. Alan Cairns and Daniel Wong outlined the logic behind the new electoral system.

Behind the experiment was the implicit belief that a minority socialist victory was not only undesirable on practical grounds, but was unacceptable on democratic grounds. The former raised the exaggerated spectre of a root and branch socialism destroying the B.C. way of life. The latter was based on the assumption that an anti-socialist, or at least a non-socialist, majority clearly existed in the province and that it was a denial of democracy to allow secondary divisions within that majority to frustrate its rightful claim to power. Electoral reform was thus an idiosyncratic reversal of the old 'divide and conquer' strategy wherein parties and governments keep the opposition weak by playing on its internal divisions. In this case, the proponents of electoral reform sought not to divide their opponents but to prevent their own divisions from allowing the left to rule. (54)

This new electoral system, which was supposed to ensure Liberal and Conservative Party supremacy, while maintaining their separate identities, served instead to upset the B.C. party system and reduce both parties to third party status. In the election's wake, the electorally virgin B.C. Social Credit Party captured the most seats with the CCF close behind; the Conservatives were decimated and the Liberals reduced to a small legislative rump. Social Credit had emerged out of the political wilderness to achieve political power.

Social Credit and the Rise of the British Columbia Economy

The Social Credit victory was a consequence of more than simply the blunders of the traditional parties. A primary
explanation lay in the fact "that many voters were alienated from the traditional parties, at the same time were unwilling to support the socialist CCF, and thus moved toward and vented their protest by voting for the only remaining free-enterprise alternative --- Social Credit."(55) Furthermore, the leadership of the B.C. Social Credit had been assumed by W.A.C. Bennett, a long time Conservative MLA and unsuccessful Conservative leadership candidate, who had no interest in the 'funny-money' doctrines and social philosophy which had long circulated in the Alberta Social Credit.(56) Young described the 1952 B.C. Social Credit platform as "nothing more than the promise of good, honest, middle-of-the-road government."(57) Bennett was labelled a "moderate conservative in the North American style".(58)

The rise to political power of the B.C. Social Credit was very different from that of its Albertan counterpart. The victory of the B.C. Social Credit "was a case of protest politics in a time of prosperity and not of depression."(59) Social Credit did bring with it a populist edge to the private-enterprise coalition, a populist strain already in existence on the left side of the provincial political constellation. Neither the Social Credit not the CCF in B.C. could be called pure populist parties(60) except possibly in their initial phase. Both parties quickly lost their roles as mass movements and became electoral machines. However, Ernesto Laclau reminds us that the term 'populism' has been applied to two sets of phenomena, i.e. to movements and political ideologies.(61) Populist political orientations are characterized
by political appeals that are directed toward ordinary people rather than traditional elites whether they be business, labour or a social class. "Populism places more value on the wisdom of common sense than on the insights of sophisticated analysis."(62)

There is also the emphasis on action over purely legal (constitutional) procedure. Edwin Black has argued that the frontier (staples) nature of the B.C. community, which was characterized by "an extreme orientation towards action" and "a lack of respect for traditional procedures", promoted a populist political culture in the province.(63)

Populist political styles were, and continue to be, evident in both the Social Credit and the CCF/NDP. Social Credit under W.A.C. Bennett was noted for its lack of concern with the niceties of parliamentary procedure and its determination about 'getting things done'. The legislature was largely bypassed as a vehicle for communication and serious debate, and the primary focus of political appeals to 'the people' were made through the media and on the campaign trail. These practices would resurface in 1983, when both right and left would display their impatience with proper parliamentary procedures in their quest to achieve political change. "Action politics" became the Social Credit's trade mark.(64) The rhetoric of Social Credit's economic pronouncements concerned full fledged support for free enterprise and small business. It was an appeal geared to a petit-bourgeois sentiment.
The CCF and later the NDP, in contrast to Social Credit, did retain a greater respect for the institution of Parliament but the mainstream of the party made its appeals in terms of the 'people' rather than in class-charged language. Further, its attacks were directed against the power establishment, most particularly at the economic monopolies and their political allies.

Social Credit gained office during a period when American investment in the B.C. resource industries was greatly accelerating. As noted earlier, it was a time when the United States replaced the United Kingdom as the major destination of the province's exports. Furthermore, the W.A.C. Bennett era was in conjunction with the long economic boom and thus witnessed rising wages, large increases in government revenues, and, overall, relatively full employment. Monopoly capitalism was in a period of rapid expansion. Bennett's role during his term was to ensure that there was a legal and economic environment favourable to the growth of the large corporations that were investing in the province. At the same time the Socreds pursued policies that would ensure them the continued support of small capital. Social Credit would aid the extension of industrial expansion into B.C.'s north and interior to extend the province's economic frontier.

W.A.C. Bennett built a policy of prosperity on rapid economic growth. Private economic development was encouraged through government incentive and the building of infrastructure. Government policy into the 1970s was founded on the "continuation of the traditional pattern of resource exploitation, often based
on extensive foreign investment, for immediate economic rewards.\(^{(66)}\) Especially during the 1950s and early 60s, the Bennett government made substantial outlays in highway and bridge construction.\(^{(67)}\) Blake contends that Bennett "was arguably the first modern 'province builder'" because of his administration's development of provincially owned B.C. Hydro, B.C. Railway and other massive infrastructural expenditures.\(^{(68)}\)

The provincial state under W.A.C. Bennett clearly adopted a much more active role in assisting private capital. The development of the accumulation function of the state proceeded rapidly with Social Credit; corporate welfare was an integral part of the economy development strategy for British Columbia. According to Robin: "The Bennett regime was activist, interventionist, state capitalist, no longer a junior partner to the companies in the frontier assault." B.C. became a "mini-state which colonized the northern sector" and "balkanized the province into regional spheres of company monopolies".\(^{(69)}\) Black also contended that Social Credit had rejected "the indefinite promises and panaceas of economic liberalism" and adopted "a type of state capitalism". This approach was followed, he notes, because:

Only by direct participation in the economy, through manipulation of the important costs of production, can a government bring about selective change and development of the economy immediately rather than in some indefinite future.

W.A.C. Bennett's "state capitalism" was "to stimulate private enterprise to the end of increased economic development."\(^{(70)}\)
The fiscal policies of the W.A.C. Bennett regime were guided by the principle of balanced budgets. However, it must be noted that much of the public debt incurred as a consequence of massive infrastructural development was hidden in the accounts of numerous crown corporations. Nonetheless, Bennett claimed to be a true Keynesian because he believed that governments should accumulate surpluses in good years and spend to stimulate economic development in lean years. (71)

Social Credit became identified as the party of development, the "opportunity party". Bennett never tired of reminding the people of the province that "the Socreds were a full-employment prosperity party". (72) Some Socred cabinet ministers, Stan Persky notes of Social Credit in the 1970's and 80's, have proudly proclaimed that the only real legitimate government policy was economic growth. (73)

The history of populism in this province would be a factor in the Socreds' electoral appeal in 1983. And, the traditional lack in B.C. of a firm adherence to the institution of parliament, coupled with a past infused with class polarization, would contribute to the dramatic resurgence of class conflict and the bypassing of parliamentary niceties, on the part of both right and left, in 1983. The province's concern with infrastructure development, and the statist tradition in capitalist accumulation, also continue to be themes in the current regime, a feature which distinguishes neo-conservatism on the periphery from its counterpart in core countries.
Social Credit and Social Spending

While economic development was foremost on W.A.C. Bennett's agenda, social policy was not ignored. Much of the tremendous growth in government spending occurred in this area. A brief investigation over time of the expenditures of Canadian governments is revealing of the growth and shifting pattern of state spending. Between 1953 and 1983, the share of gross national expenditure absorbed by public spending at all governmental levels in Canada rose from 27 to 46 per cent. In 1952 governments spent $438 for every Canadian citizen but by 1983 that figure increased to over $7,200. Turning exclusively to the provinces, between 1952 and 1982, the proportion of provincial spending on education, health and social services increased from 44.7 to 53.8 per cent of their budgets. Education captured the lion's share of these funds, with the health budget rapidly approaching the education budget in the later years. While education's percentage of revenues remained relatively constant, social services nearly doubled their share, from 6.5 per cent in 1952 to 11 per cent in 1982. The dramatic spending increases within the state sector provide vivid illustration of the movement toward the adoption of Keynesian-inspired fiscal policies and social programs by all Canadian governments, regardless of their ideological complexions.

British Columbia shared in this social spending explosion, although the process has been uneven. Pattullo's social policies certainly pioneered much of Canadian welfare legislation. The
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Expenditure in Millions of Dollars</th>
<th>Percentage Change from Previous Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956-57</td>
<td>26.6</td>
<td>8.6</td>
</tr>
<tr>
<td>1957-58</td>
<td>28.9</td>
<td>22.1</td>
</tr>
<tr>
<td>1958-59</td>
<td>35.3</td>
<td>12.7</td>
</tr>
<tr>
<td>1959-60</td>
<td>39.8</td>
<td>29.4</td>
</tr>
<tr>
<td>1960-61</td>
<td>51.5</td>
<td>8.7</td>
</tr>
<tr>
<td>1961-62</td>
<td>56.2</td>
<td>0.0</td>
</tr>
<tr>
<td>1962-63</td>
<td>56.0</td>
<td>0.0</td>
</tr>
<tr>
<td>1963-64</td>
<td>59.2</td>
<td>5.7</td>
</tr>
<tr>
<td>1964-65</td>
<td>61.4</td>
<td>3.7</td>
</tr>
<tr>
<td>1965-66</td>
<td>68.3</td>
<td>11.2</td>
</tr>
<tr>
<td>1966-67</td>
<td>72.8</td>
<td>6.0</td>
</tr>
<tr>
<td>1967-68</td>
<td>77.2</td>
<td>21.9</td>
</tr>
<tr>
<td>1968-69</td>
<td>94.1</td>
<td>11.1</td>
</tr>
<tr>
<td>1969-70</td>
<td>104.5</td>
<td>41.1</td>
</tr>
<tr>
<td>1970-71</td>
<td>147.5</td>
<td>0.9</td>
</tr>
<tr>
<td>1971-72</td>
<td>148.9</td>
<td>15.6</td>
</tr>
<tr>
<td>1972-73</td>
<td>172.2</td>
<td>53.7</td>
</tr>
<tr>
<td>1973-74</td>
<td>264.6</td>
<td>44.6</td>
</tr>
<tr>
<td>1974-75</td>
<td>382.6</td>
<td>24.1</td>
</tr>
<tr>
<td>1975-76</td>
<td>474.8</td>
<td>1.3</td>
</tr>
<tr>
<td>1976-77</td>
<td>481.0</td>
<td>13.2</td>
</tr>
<tr>
<td>1977-78</td>
<td>544.5</td>
<td>2.6</td>
</tr>
<tr>
<td>1978-79</td>
<td>558.5</td>
<td>16.2</td>
</tr>
<tr>
<td>1979-80</td>
<td>648.8</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Ministry of Human Resources, Services for People: Annual Report 1980, Province of British Columbia, Victoria, 1981, and other annual reports from the Department dating to 1958.
province was often in the vanguard of social development, especially with respect to labour legislation(75) and hospital insurance. In 1948, for example, B.C. became one of the first provinces to enact a broad-based hospital insurance scheme.(76) The achievements in social welfare developments were formally recognized when E.W. Griffith, the Deputy Minister of Welfare in B.C., was awarded the Professional Institute gold medal in 1948. "This award [was] granted annually by the Professional Institute of the Civil Servant of Canada to the public servant who has made the most outstanding contribution to national or world well-being."(77) It was an award, however, only made possible by the 'progressive' actions of the B.C. Legislature.

The expansion of social services reflected a trend throughout OECD nations. The 1960s has generally been recognized as the second expansionary era of the modern welfare state. In Canada, as elsewhere, "the increasing pressure for social services in the late 1960s and early 70s coincided with a comparatively buoyant economy when government revenues were rising and inflation was not considered a serious problem."(78)

Under the Premiership of W.A.C. Bennett, however, the 1960s represented one of the uneven periods for social developments in the province. The 1950s under Social Credit rule, by contrast, were years of plenty for social welfare, as money was pumped in to expand the budget. Examination of Table VI reveals that between fiscal years 1956-57 and 1960-61 annual spending by the Ministry of Human Resources(79) increased by an average of 18.2 per cent.
During the 1960s, in contrast, British Columbia's social services failed to expand as rapidly as those in most other parts of the nation. John MacDonald states that social services occupied a relatively low priority for Bennett, taking a back seat to more "dramatic programs of industrial development and growth, especially in the forestry and mining industries."(80) Between fiscal years 1960-61 and 1967-68, Ministry of Human Resources budget increases averaged only 6 per cent per annum. But it should be noted that by late 1967 through 1971, Social Credit expanded funding for human resources markedly (an average increase of 24.7 per cent between fiscal year 1967-68 and 1970-71). Thus, the revitalization of social services generally credited to the NDP after they took office in 1972 was in fact already begun in the last years of W.A.C. Bennett's rule.

MacDonald's and others' conclusions concerning the economic priorities of the Bennett regime also obscured the role which Social Credit played in developing education in the province. Between 1952 and 1972, expenditures on public education rose from $24.6 million to $258.1 million. Many new schools were constructed, new equipment was purchased and teacher-pupil ratios were reduced by some ten per cent. Post-secondary education also expanded rapidly over this period. Provincial funding rose from $2.6 million to $147.8 million. In addition to the University of British Columbia, which doubled its enrolment, two new universities were established. Furthermore, a community college system was set up which served "nearly all parts of the province
with adult education, career training and the first two years of university-level arts and sciences."(81) Therefore, while W.A.C. Bennett's regime was marked by an uneveness in social spending, overall his administration did significantly develop this dimension of the provincial public sphere and therefore warrants greater recognition for its achievements in these areas.

The Rise of White Collar Unionism

Collective bargaining in the public sector became an important area of policy dispute under W.A.C. Bennett's administration, with ramifications for 'restraint' legislation in the 1980s. During W.A.C. Bennett's term, the class map of B.C. was evolving. The province remained a staples society, but the slow rise of white collar union consciousness would have great significance in the renewed outbreak of class warfare occurring in the 1980s. Consequently, an analysis of developments in this area is necessary.

Especially since WWII, when the growth of the provincial public service reached its takeoff point, there was an effort to build a modern, professional civil service in British Columbia. Between 1950 and 1972, roughly the span of W.A.C. Bennett's governance, the B.C. public service expanded from 7,692 to 30,612, nearly a fourfold increase.(82)

Under Bennett's premiership, considerable effort went into developing a career-oriented, merit-based bureaucratic structure
in the civil service. The development of such a system was far from complete, however. The Bennett regime was distinguished by a high degree of political involvement in the affairs of the public service. The bureaucracy was personally managed by the Premier, and the Civil Service Commission had become identified as an arm of cabinet.(83)

The newly elected Social Credit government in 1952 also firmly rejected the recommendations for the reform of civil servant/government relations made by the Ash Inquiry into the Industrial Conciliation and Arbitration Act. The Inquiry had advised that full collective bargaining rights, with arbitration as the method of dispute resolution, be extended to the public service.(84) While it was not at all unusual for Canadian governments in the 1950s to reject the extension of free collective bargaining to the public service, what is noteworthy in the case of B.C. was that the W.A.C. Bennett regime would resist the adoption of this reform to the end. Most other Canadian governments by the late 1960s "[h]ad increased government employee participation in the determination of their pay and working conditions." Saskatchewan under the CCF had extended full collective bargaining rights to its employees. However, throughout the Bennett term, despite great pressures, public sector collective bargaining, even in modified forms, was blocked. "For provincial government employees", Ruff observed, "the W.A.C. Bennett era was one of unilateralism and 'legal paternalism'."(85) With respect to labour relations and the public service, B.C. in
the 1960s and early 1970s can be compared to Quebec just prior to its "Quiet Revolution".

W.H. MacInnis, a B.C. Civil Service Commissioner in 1919, aphoristically summed up the position adopted by governments as employers in this province. His sermon to B.C. civil servants read: "Blessed are they who expect little, for they shan't be disappointed."(86) The long struggle of those employed in the civil service has involved the advance from the status of 'public servants', with an emphasis on the servant, to the position of 'public employees', with a stress on the employee, and the potential rights associated with that status gained through collective bargaining.

In efforts to secure their rights, B.C. government workers formed organizations to promote their interests. In 1919 the Provincial Civil Service Association had been formed; it was the first province-wide organization of B.C. government workers. However, it was not until 1944, with the founding of the B.C. Government Employee Association (BCGEA), that the initial steps toward developing an organization with trade union goals were taken.(87) The association was even granted membership in the Trades and Labour Congress of Canada in 1945.(88) Before the late 1950s and 1960s, however, provincial employee associations failed to move significantly beyond social clubs. This failure rested in part on the employees' acceptance of:

... the concept of state sovereignty, the reluctance of white collar workers to organize and the tendency to allow deputy ministers and others
of high rank into the association, making it difficult to separate the management from the workers.(89)

This concept of state sovereignty involved the notion that governments were not really employers but rather 'the sovereign power'. Consequently any attempt at real union organization and resistance to the employer was tantamount to insurrection.(90)

The whole question of white collar work and the 'ideology' of professionalism has also been important in retarding the development of trade union consciousness in the public sector. White collar workers have historically been reluctant to embrace trade union structures, due in part to the anxiety they have felt about their status. In White Collar,(91) C. Wright Mills points to the tenacity with which white collar workers have clung to their identification with management and 'bourgeois' values, to their status as salaried employees rather than wage workers, and, further, their credo of professionalism which held back the development of direct approaches to conflict resolution in favour of less effective cooperative strategies. All of this hindered the early development of traditional union structures and strategies.

There were, of course, other factors accountable for delaying effective union development. Not the least was the employer per se. The State was an employer like no other. Wesley Black, a Social Credit provincial secretary, in 1952 succinctly summarized this point, and the basic position of the W.A.C. Bennett government:
Differences between the status of the government as an employer and private industry as an employer present certain problems to which we have not as yet had an answer. The real difference between bargaining with free enterprise and with government is that a legislature can legally change at any time the basis of an agreement which a government has signed with a union. ... Compulsory arbitration negates the principle of responsible government. This principle we can not surrender. It would be a direct violation of our oaths of office to agree to such a proposal.(92)

The Bennett government embraced a philosophy which "exempted itself from the same responsibilities it had established for other employers", most notably a set of legal "guidelines for union recognition and collective bargaining". The employer had, in short, the power "to use (and abuse) its role as Government to give it an unfair advantage over workers it employed."(93)

The continued paternalism of the Bennett regime(94) finally began by the late 1950s to forge a sense of solidarity and the beginnings of militancy among B.C. civil servants. Years of seeing their salaries fall behind inflation and gaining no voice in determining their working conditions had played a leading role in bringing about this change. In 1957 the BCGEA moved into a position of threatening a public sector strike after receiving a 82.9 per cent strike vote from its members. The major issues were the question of collective bargaining, and the demands for higher salaries and better working conditions. In this instance the strike was averted on the basis of a verbal agreement between the government and the association.(95) The question of collective bargaining was to be studied by an impartial one-man Board of
The resolution proved to be very unsatisfactory to the association, as the government was unwilling to live up to its side of the bargain.

By March 1959 the BCGEA again found itself threatening strike action, this time demanding higher wages and the release of the Carrothers Report which had been suppressed by the government. The Report had in fact recommended public sector collective bargaining, with binding arbitration as the method of dispute resolution, but the report was to remain suppressed until 1973. This time no agreement was forthcoming and for the first time in Canadian history civil servants took strike action. The government quickly enacted legislation banning picketing; after only four hours the solidarity of the strike was broken and the BCGEA called off the action.

This defeat set back for a number of years the further development of the drive towards collective bargaining. The government took action to punish and weaken the association. In 1960 it revoked the checkoff system of collective association membership because it did not want to give any approval to an organization that was affiliated to the B.C. Federation of Labour and thus indirectly associated to a political party, the CCF. This was seen as a betrayal of the neutrality of the public service. In response, the BCGEA moved swiftly to accommodate the government and withdrew from the B.C. Fed, but the government was not moved and did not restore checkoff again until 1967. This
situation caused major economic hardship for the association. In the first year of the loss of checkoff, its revenues fell by 40 per cent. Over time, however, the association was able to recover the bulk of its dues but this task absorbed a great deal of the BCGEA's efforts. (100)

By 1969 the BCGEA had revived itself and, at its Convention that year in Prince George, it officially transformed itself into a union, renaming itself the British Columbia Government Employees Union (BCGEU). It also launched its "Collective Bargaining Rights Now!" movement, in what was to be a major thrust towards achieving this objective. (101) Public employees on a nation-wide basis began to shed their former notions of 'white collar' superiority and were swept up in a new and "growing trade union consciousness". Associations were transformed into real unions which demanded and engaged in true collective bargaining and were not afraid to utilize the strike threat as a lever. (102) It was a time in British Columbia when civil servants not only gained union consciousness but also became politicized.

In 1972, a series of one day strikes in various highways department yards was undertaken against the Bennett government. A major confrontation was shaping up between the BCGEU and the government over the question of collective bargaining rights. However, 1972 was also an election year and the BCGEU, along with parapublic sector unions like the British Columbia Teachers' Federation, campaigned vigorously for an NDP victory. The confrontation brewing between the BCGEU and the Socred government
never came to a head because the NDP was swept to office in August. (103)

The Defeat of Social Credit

Ironically, it was the Social Credit's economic development, resource and social policies which played a formative role in the growth of the NDP. Blake, Johnston and Elkins contend in fact that "the real father of the new NDP" was W.A.C. Bennett himself. As they observe:

Development of the resource economy was absolutely central to the Social Credit program in the 1950s. The development strategy, involving inducements to large-scale private investment and massive infrastructure investments by the government itself, not only added greatly to the province's capital stock but also dispersed it much more evenly over the landscape than had earlier development episodes. As a result, resource sector employment outside Vancouver and a few coastal mill towns is now much more likely than before to be in large-scale, unionized firms. Parallel to these developments was a transformation of employment in the public sector. Numbers in public and para-public employment grew, jobs became less seasonal and came to include many white-collar skills, and the sector became unionized. We believe, then, that ... the growth of the NDP was an outcome of Social Credit policy. (104)

Structural changes in the economy have played a role in provincial political realignment. The growth of a unionized workforce and the geographical diffusion of large-scale industry have been most especially important. (105) Since 1967 there has been a sizeable increase in the number of employees per industrial establishment, with the most marked increase registering in areas
of the province which held the lowest such averages in 1967. Blake et. al. speculate from this that probably a more geographically homogeneous union membership now exists in the province, thus widening the NDP's support base. (106) Thus, in terms both of public and private employment, British Columbians have increasingly come to be in work situations that lend themselves to NDP support.

Work relations throughout the province are often impersonal and mediated by unions. Union membership tends to insulate individuals against relatively conservative political influence at the same time as it connects those individuals to a province-wide social influence network favouring the NDP. The argument takes on special force for public employees. The latter may have a direct stake in public sector growth, as advocated by the NDP . . . . (107)

The political impact of the changing political social structure has been illustrated by Robin:

British Columbia's classic confrontation between labour and capital was complemented . . . by a second struggle; between the old and new middle classes, between Sunday politicians administering a welfare state and Monday morning professionals eager to ensure its efficiency and humanity. (108)

W.A.C. Bennett and his government saw politics in the old left/right divisions, failing to realize the impact and consequences of social changes, such as the rise of the new middle class and the transformation of the working class, that had occurred. (109) He failed to see that the old social tensions between the blue collar working class and capital had been overlain with new divisions, due to the rise of new class factions and class forces, such as public and para-public employees. The
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Credit</td>
<td>45.6</td>
<td>46.8</td>
<td>31.2</td>
<td>49.3</td>
<td>48.2</td>
<td>49.8</td>
</tr>
<tr>
<td>NDP</td>
<td>33.6</td>
<td>33.9</td>
<td>39.6</td>
<td>39.2</td>
<td>46.0</td>
<td>44.9</td>
</tr>
<tr>
<td>Liberal</td>
<td>20.2</td>
<td>19.0</td>
<td>16.4</td>
<td>7.2</td>
<td>0.5</td>
<td>2.7</td>
</tr>
<tr>
<td>Conservative</td>
<td>0.1</td>
<td>0.1</td>
<td>12.7</td>
<td>3.9</td>
<td>5.1</td>
<td>1.2</td>
</tr>
</tbody>
</table>

**Source:** Donald E. Blake, Richard Johnston and David J. Elkins, "Sources of Change in the B.C. Party System", BC Studies, No. 50, Summer 1981, p. 4, and British Columbia Statement of Votes, Queen's Printer, Victoria, 1983
political and structural changes first brought into sharp focus with the defeat of Social Credit in 1972 would continue to manifest themselves and make their impact felt throughout the 1970s and 80s.

The NDP Takes Office

The election of 1972 witnessed the defeat of Social Credit, a consequence not simply of an increase in NDP support to nearly 40 per cent of the voting electorate (from its traditional one-third ghetto) but also of a break in the free-enterprise coalition caused by the resurgence of the provincial Conservative Party. (See Table VII) As stated, the NDP found the greatest expansion of its support in the white collar occupations, especially among public and parapublic workers. (110)

The NDP's tenure did not bring about "a wholesale restructuring of the provincial economy and society" as Social Credit had warned, (111) but it was responsible for the maturing of the welfare state in the province. Social programs were revamped. Between 1972 and 1974 the Ministry of Human Resources greatly widened its social service delivery programs and increased its expenditures dramatically, from $148.5 million to $367.4 million. (112) (Also see Table VI) Resnick has argued that this emphasis upon social services was part of an NDP strategy of back-pedalling from earlier pledges of nationalizations. The NDP attempted to cover its relative inaction on the nationalization
front by adopting "the less controversial path of pushing social legislation to the hilt." (113) This may be seen as the NDP's attempt to adopt a nonconfrontational middle road, in keeping with the consensual politics that largely prevailed during the heyday of the welfare state. To this end, the NDP administration increased welfare rates, expanded daycare and hospital services, and provided a variety of support programs for the elderly. In an effort to decentralize control of social service delivery, local community Resource Boards were developed. The expansion of social programs was significant enough that the Department of Human Resources in 1974 overspent its budget by $100 million. (114)

New social service spending was not the only aspect of social policy to undergo change. Additional regulatory measures were also enacted. In 1973 the Department of Consumer Services was established to provide the public with both information about and more direct protection against unreliable sellers of goods and services. A new Human Rights Code was also implemented. It provided for a staff charged with the powers to enforce anti-discriminatory measures on the grounds of sexual, racial, and other broad categories of distinction against employers, landlords, corporations, and governments. In 1974 the Landlord and Tenant Act was passed which provided for a rentalsman to mediate disputes between parties, and which controlled rents for certain classes of accommodation. (115)

These extensions of the welfare state were to become the object of state downsizing in 1983. Significantly, these programs had
been at least tolerated, and even in some cases further expanded, by the oldstyle Social Credit. Its transformation in 1983 is illustrated by its decision to summarily terminate these programs.

One of the NDP's most significant policies was the 1973 Labour Code, clearly the most innovative labour and reform oriented statute in the country, serving to rationalize labour-management relations. The W.A.C. Bennett administration had not effectively managed or reduced workplace tensions, leading to more numerous and more intense labour disputes. The new law was welcomed by employers as well as workers because it was responsive to the province's needs for effective conflict reduction and resolution. W.A.C. Bennett's failure to bring B.C. up to date with the liberal labour laws of other welfare states was clearly one reason his government could not withstand pressures for change in this area. This reform is discussed at length in chapter 7.

The area of public sector collective bargaining was also addressed by the new NDP government. Premier Dave Barrett had committed himself to bringing labour relations in the public sector up to the level of developments elsewhere in the country. To this end, the NDP appointed the Commission of Inquiry into Employer-Employee Relations in the Public Service of British Columbia, the so-called Higgins Commission. In early 1973 the commission released its recommendations, which stated: "Full collective bargaining should be the method used to determine salaries, wages, and working conditions in the public service in British Columbia." And further, that the parties concerned be
allowed "to act as freely as possible in their efforts to reach an agreement." (116) In other words, the principle of the right to strike was strongly defended. The underlying philosophy of the report is summed up in its own words: "The era of unilateralism should be brought to an end. In its place, we envisage an era of joint determination of wages and working conditions where both parties sit as equals." (117) The NDP government accepted these recommendations, and free collective bargaining with the right to strike was extended to the civil service. Moreover, under NDP rule, the size of the civil service expanded by over 10,000 positions from 29,141 to 39,301. (118) The quiet, or not so quiet, revolution in the B.C. public service had finally come to fruition.

Public sector workers, due to their long fight against the W.A.C. Bennett regime and because of a sympathetic government in Victoria, coalesced to induce the BCGEU to rejoin the 'house of labour'. The BCGEU membership endorsed affiliating with the B.C. Federation of Labour by a vote of 76 per cent. A BCGEU publication strongly supported the move, arguing that the labour movement required solidarity for strength. The publication pronounced that: "the family of trade unions is like a row of upright dominoes. Knock one down and the others start to fall." (119) By the 1970s the organized public sector labour force had become united and highly politicized.

The coalescence of power within the B.C. labour movement caused the province's business community to develop an
organization which could speak for its concerns. The Employers' Council of British Columbia, now called the Business Council of British Columbia, was created in 1966. By the 1970s, it had become what William Coleman identifies as a "peak association" for B.C. business. In other provinces, with the exception of Quebec, business is fragmented and fails to speak with a single voice. The Business Council of B.C., in contrast, is an inter-industry organization which plays an advocacy role for the employer class. Its representatives articulate the general interests and views of this class. It was the presence of a powerful labour movement and a strong social democratic political party which induced the employers to build a counter organization to defend their class interests.(120)

The NDP managed to excite the ire of capital by moving to nationalize a number of operations. In the forestry sector, several firms which the private sector was closing down were purchased by the government and kept in operation. The most significant nationalization involved the automotive insurance industry, a move that was popular with the public but which alarms capital. What angered the business community much more, however, were changes to increase corporate tax rates. For example, in the forestry industry stumpage rates were increased and in the mining industry the Mineral Royalties Act was enacted. The latter tax was designed to extract a greatly increased share of royalties from the mining companies who had been enjoying very
high profit rates. This act served to mobilize this sector in an all-out effort to defeat the NDP government. (121)

The NDP administration did not seek to remake B.C. society. Its major projects served mainly to bring the province more fully within the welfare state fold, modernizing labour relations in the private and public sectors, enhancing the province's social service network, regulating various commercial activities, increasing corporate tax rates, and introducing a moderate program of nationalizations. However, the NDP's capture of office also induced the business community and the province's anti-socialist community to unite against the 'socialist threat'. Despite the general prevalence of a welfare state consensual political framework, B.C. remained a polarized province, in which right-left conflicts continued to be a reality and were given expression at the ballot box in 1975.

Social Credit Regains Power

After the defeat of Social Credit in 1972, there were immediate attempts to rebuild the party. According to Walter Young, the idea was to transform the party "into a western version of the Ontario Conservative Party's Big Blue Machine". The reorganized Social Credit under Bill Bennett, son of the former Premier, set out to achieve two objectives: "One was to demonstrate that Social Credit was the only alternative to the NDP, the other was to make the party a vehicle for the
middle-class, middle-of-the-road voter."(122) Bill Bennett stressed the need for the party to liberalize itself in order to make it more attractive to the new professional occupations.(123) Grace McCarthy, a prominent Socred, described the new Social Credit as "the populist party of the middle".(124) It was a party, however, which wished to retain its image as "the development and employment party".

In 1975 Social Credit was returned to power under the stewardship of Bill Bennett. The 1975 election saw the appearance of a newly revitalized "coalition of the right", a coalition which was able to defeat the NDP, despite the fact that the NDP received almost the same percentage of the vote with which it captured office in 1972. This coalition building took the form of the recruiting of MLAs and other prominent Conservatives and Liberals into the new Social Credit Party. In addition to broadening out to incorporate the Liberal and Conservative political elite, the base of the Social Credit Party was also expanded in a vigorous and successful campaign to recruit members. By 1975 Social Credit had become "the largest mass membership party in the province."(125) The coalition nature of the new Social Credit was evident from the fact that, in the government's first cabinet, eight of the fourteen cabinet ministers were former Liberals or Conservatives.(126) It must be emphasized, however, that the 1975 coalition housed within Social Credit developed not out of positive attachment to the Social Credit Party, its policies or its leader, but rather out of an aversion to the NDP.(127)
This Social Credit government has undeservedly gained an anti-welfare and anti-labour image. While it is true that Social Credit was less sympathetic to these areas than the former NDP administration, the fact remains that in its first two terms of office it did not attempt to fundamentally reverse the policies of the NDP, policies which in themselves were not a drastic alteration of past welfare state developments undertaken during previous Socred governance. The services provided by the Ministry of Human Resources continued to expand. (See Table 4:2) MacDonald concludes that "the period from August 1972 to July 1983 was characterized by the expansion and consolidation of social services in British Columbia". (128) The civil service also continued to expand, although at a slower pace than under the NDP. By 1981 the number of public employees had increased by nearly 4,000 from 1975, resting at 43,152. (129) In terms of labour law, Social Credit made it rather more difficult to organize, intervened in a number of labour disputes, and in the government sector, after a strike by ferry workers in 1977, placed greater restrictions on the right to strike by public sector workers. But, significantly, the underlying philosophy of the 1973 Labour Code remained unaltered. (See discussion in Chapter 7)

Human rights and renters' rights remained in place. The Social Credit government even introduced the office of the Ombudsman in an act of legislative reform. Government auto insurance was not de-nationalized although, in an innovative move to rid the public sector of NDP Crowns in the forestry sector, the government
created the British Columbia Resources Investment Corporation (BCRIC). Social Credit gave five shares of BCRIC to every B.C. resident in a promotion designated as "people's capitalism". Also, the regulations and restrictions which had been placed upon the development of agricultural lands in the province were weakened. While these were not unimportant concessions to capital, they did not constitute a wholesale attack on the NDP's previous legislative agenda. In 1978 the government established the Ministry of De-Regulation. However, the Ministry enjoyed only a short life and failed to initiate any marked policy changes. Overall, the new Social Credit administration into the early 1980s failed to reverse or check the expanded role of the public sector.

Looking broadly at the period from the 1960s to the early 1980s, one can say that the provincial government expanded rapidly.

Since 1960 expenditure has grown at an annual rate of 14.4 per cent, from $365 million to $7,042 million in 1982. In the same period, expenditure on education, health and social services grew from 50 to 63 per cent of the provincial budget. The growth of government has outpaced the growth of the B.C. economy. In 1962 the provincial government's expenditures amounted to 10 per cent of B.C.'s gross provincial product (GPP --- the value of all the goods and services produced by the economy). By 1982 its expenditures had risen to over 16.7 per cent of GPP.

Many contemporary political observers came increasingly to challenge the use of the left-right dichotomy in describing the B.C. party system as it had evolved into the early 1980s. Blake maintained, for instance, that:

The terms 'left' and 'right' have lost their traditional meanings both in terms of the policy
positions they are intended to describe and the class interests to which they once appealed. Governments of the right, no matter how ideologically pure and noninterventionist they claim to be must administer the welfare state. (132)

In a similar vein, Young concluded that: "Successive governments, regardless of party, largely accept what their predecessors put in place and so, in the words of one political scientist, they 'move forward the centre of consensus concerning what is accepted as routine.'" (133) This 'consensus politics' argument, while generally an accurate description of the state of B.C.'s political affairs in normal times, would no longer be applicable, in the wake of the dramatic new direction initiated by the July 1983 Budget.

Conclusion

The political heritage of British Columbia is intriguing to the analyst because it is characterized by ideologically-charged conflict of a class character. At the same time, it has remained of rather marginal interest, in large part due to the province's peripheral position in Canada, both politically, at the federal level, and in its geographical distance from the core. Developments in the province are worthy, however, of considerably more attention since, as A.R. Dobell has pointed out, B.C. is like California in that new ideas often have their origins here and then work their way out to the rest of the country. (134) What is
politically salient in B.C. today may be a reflection of what is most relevant to Canada tomorrow.

The origins of B.C. as a corporate resource frontier left their mark on the province’s political culture. Its left-right polarization and the populist cutting edge to politics in B.C. are legendary. The province has cradled the strongest and most politically militant labour movement in the country. The political history of B.C. has also very much concerned the formation of coalitions of the right intent on keeping the left from power. However, the political expression of this class conflict has occurred within the parameters of party politics since the Second World War, due to the consensual philosophy and practice of the welfare state. In the 1950s Social Credit arose to carry forth the mandate of saving private enterprise from the socialists and was soon able to institute itself as "the Government Party". The changing employment structure of the province, such as the rise of public sector unionism, along with the expansion of the welfare state administered by Social Credit, has provided the basis for a formidable threat to the "Government Party's" supremacy. This threat has in part derived from the NDP, which has been enjoying an increased base of support because of these changes.

These political-economic developments have laid the framework for an intense politicization of the state sector. The explosion of public and parapublic sector employment and the large client populations which these workers serve, has created a substantial group of people who have firmly established interests in the
maintenance of a vibrant social welfare state. Intensive struggles have developed in recent years over collective bargaining in the public sector and more recently over attempts by government to contract the public sphere. The existence of state fiscal crisis has made these struggles all the more intense. The BCGEU, as the foremost public sector union and the largest labour organization in the province, has consequently become one of the chief focal points of the battle. Defeat of the BCGEU would not only mean a victory for retrenchment in the public sector but would also seriously decrease the power of the labour movement in the province as a whole.

Prior to the 1983 election, suggestions were made that reduced levels of left-right polarization in B.C. politics had become the norm, which supports a view of this period as a time of pan-class pacifism, relatively speaking. But, Social Credit, beginning with its July 1983 budget, served to renew the edge of polarization in the province. Social Credit, having long presented and advertised itself as a party of economic prosperity and development, a promise easily achievable in the 1950s through the early 70s when Western economic growth rates were universally high, perceived the economic crisis as a watershed in terms of its own development. Such a party, to continue to deliver on its promise, would have to change to fit the 'new economic reality' by re-legitimating itself via the adoption of 'restraint' and 'neo-conservative' themes and policies. Also, it would have to adopt more confrontational
strategies in order to defeat the powerful opponents who would challenge its radical new agenda.
Notes

1. Donald E. Blake with the collaboration of David J. Elkins and Richard Johnston, Two Political Worlds: Parties and Voting in British Columbia (Vancouver: The University of British Columbia Press, 1985) p. 11


6. Ibid., p. 31

7. Bercuson, op. cit., p. 463


11. Robin, "British Columbia", p. 29


13. Daniel Drache, "The Formation and Fragmentation of the


23. As quoted in Sanford, op. cit., p. 90


26. Rowell-Sirois Report, p. 133

27. Irving, op. cit., pp. 162-163


30. Ibid., p. 15

31. Stanford, op. cit., p. 107

32. Robin, Pillars of Profit, p. 13

33. Ormsby, "T. Dufferin Pattullo", p. 548

34. Robin, Pillars of Profit, p. 13

35. Ormsby, "T. Dufferin Pattullo", p. 548

36. Robin, Pillars of Profit, p. 13


38. Irving, op. cit., p. 155

39. As quoted in Robin, Pillars of Profit, p. 17

40. Ibid., pp. 17-18

41. Ibid., pp. 38-39


43. Ormsby, "T. Dufferin Pattullo", p. 550

44. Ormsby, British Columbia, p. 456

45. Ormsby, "T. Dufferin Pattullo", p. 550


47. Jerry Lembcke and William M. Tattam, One Union in Wood: A


49. Robin, Pillars of Profit, p. 55

50. Blake, Two Political Worlds, p. 17

51. Sanford, op. cit., p. 136

52. Ibid., pp. 152-153, 155

53. Robin, Pillars of Profit, pp. 114-115


55. Sanford, op. cit., pp. 177, 162

56. Ibid., p. 198

57. Young, Democracy and Discontent, p. 100

58. Robin, Pillars of Profit, p. 170

59. Sanford, op. cit., p. 180


61. Laclau, op. cit., p. 143

62. Walter D. Young, "Political Parties" in Morley et. al., op. cit., p. 108

Potential: Public Policy and the British Columbia Economy
p. 29

64. For a discussion of some of the populist overtones to B.C. politics see for example David J. Elkins, "British Columbia as a State of Mind" in Blake, Two Political Worlds, pp. 61-66, 72-73


67. Robin, Pillars of Profit, p. 257

68. Blake, "Introduction", p. 3

69. Robin, Pillars of Profit, pp. 257-258

70. Black, op. cit., pp. 34, 35


72. Robin, Pillars of Profit, pp. 175, 195

73. Persky, Bennett II, p. 259

74. Economic Council of Canada, Steering the Course, 21 Annual Review (Ottawa: Minister of Supply and Services Canada, 1984), p. 23

75. The development of a state sponsored industrial relations system in British Columbia is explored in detail in Chapter 7.

76. Chandler and Chandler, op. cit., p. 206

78. John A. MacDonald, "Privatization and Social Services in British Columbia --- An Examination of the Issues in Legal and Historical Perspective", Paper produced by the School of Social Work, University of British Columbia, June 1, 1984, p. 4

79. The Ministry of Human Resources was called the Department of Health and Welfare in the 1950s.

80. MacDonald, op. cit., p. 5


82. Norman J. Ruff, "Managing the Public Service" in Morely et. al., op. cit., pp. 130-131, Table 3

83. Ibid., p. 163

84. Ibid., p. 167

85. Ibid., p. 168

86. Labour History, Vol. 2, No. 1, Spring 1979, p. front cover

87. Colleen Bostwick, "To Cross the Rubicon", Labour History, Vol. 2, No. 1, Spring 1979, pp. 12, 16


89. Ibid., p. 19

90. Ibid., p. 19

91. C. Wright Mills, White Collar (London: Oxford University Press, 1977)

92. As quoted in McLean, op. cit., p. 63

93. Bostwick, op. cit., p. 13

94. Ibid., p. 21

95. McLean, op. cit., p. 67

96. Bostwick, op. cit., p. 19

97. Report of a Board of Reference, British Columbia Civil
Service Act (Victoria: Queen's Printer, January 1959) p. 59

98. Bostwick, op. cit., p. 20
99. Ibid., p. 21
100. McLean, op. cit., p. 83
101. Ibid., p. 93
103. McLean, op. cit., pp. 113-114
105. Ibid., p. 4
106. Ibid., pp. 23-24
107. Ibid., p. 22
108. As quoted in Blake, Two Political Worlds, pp. 21-22
109. Ibid., p. 21
111. Blake, Two Political Worlds, p. 22
112. MacDonald, "Privatization and Social Services", p. 5
117. As quoted in McLean, op. cit., p. 177
118. Figures derived from Warburton and Coburn, op. cit., p. 23, and Ruff, "Managing the Public Service", p. 177

119. As quoted in McLean, op. cit., pp. 119-120


121. Dyck, op. cit., p. 535

122. Young, "Political Parties", p. 98

123. Stan Persky, Son of Socred (Vancouver: New Star Books Ltd., 1979) p. 48

124. Young, "Political Parties", p. 99


126. Dyck, op. cit., p. 539

127. Blake, et. al., "Sources of Change", p. 7

128. MacDonald, op. cit., pp. 8-9

129. Ruff, "Managing the Public Service", p. 177

130. Dyck, op. cit., pp. 540-541

131. Norman J. Ruff, "Introduction" in Morley, et. al., op. cit., p. 4

132. Blake, Two Political Worlds, p. 8

133. Young, "Political Parties", p. 106

134. Personal notes from Dr. A.R. Dobell, "Economics and Politics in British Columbia", public lecture sponsored by The Vancouver Institute, University of British Columbia, October 13, 1984
Chapter 5

The Politics of Restraint, British Columbia Style

We knew that in seeking a new mandate on May 5 [1983] and expecting to win it as we did, we would be faced with governing in probably the most difficult time in Canada's history since the Great Depression. It is a time when governments can no longer afford the easy way of creating expectation, every promise and every program, and --- when the people didn't have enough money to spend(sic) in the way of taxes --- spending their credit. We knew that in conducting the campaign and winning it we had to conduct it and let the people know what this government was going to do, and we campaigned on a policy of restraint, restraint that would guarantee our future.

Nobody likes restraint. I don't like it and neither do the people of B.C., but every British Columbian that I know, every British Columbian out there in the private sector, has been forced into restraint that they didn't visit on themselves in the last two or three years during the recession. ...(1)

Restraint: Defining a Concept

Premier William Bennett's comment provides vivid illustration of the importance which the term 'restraint' has come to occupy in British Columbia politics. Certainly in the 1980s, this has been the key watchword in B.C. public policy. Social Credit governments from at least 1982 on have utilized this concept in identifying their approach to redefining the relationship between the public and private sector. The term 'restraint', however, does not have a
simple definition; depending on the time and place, it has taken on many faces. Since the growth rates of Western economies began slowing down in the 1970s, many governments of varying political stripes have talked about restraint in their fiscal statements, but rarely have they provided a clear declaration of its meaning. One academic treatment of the subject suggests that:

The politics of restraint are about who gets none or who gets less of what, when and how. It is a struggle over resources and values. (2)

The latter statement within this quotation clearly applies to restraint. The first part of this definition, however, fails to reveal the full extent of restraint, for restraint is not simply about who gets less but also concerns which classes and groups in society are to be allotted more, both in relative and absolute terms. Restraint is centred on the reallocation of society's economic resources; it involves the distribution of inequality in society.

Furthermore, the politics of restraint is intimately connected to the issue of budgets and deficits. The controversies around "the appropriate size and role of deficits," as David Wolfe observes, "are in reality concerned with the appropriate relationship between the state and economy in advanced capitalism." (3) In short, the question of public deficits/restraint becomes very much a debate about political ideology.

There exist essentially two schools of thought on the issue of budget deficits. The first school is associated with "classical
budgeting practice" which asserts that there should be an annual balanced budget. Governments, like households, must be run prudently. This view holds that the total fund of the nation's savings is limited, and that excessive spending on the part of government simply reduces the amount of funds available in the economy for private investment, thus damaging the economy. According to this view, then, government spending needs to be restrained; deficit financing represents a dangerous practice.

The second notion of budgetary practice is derived from Keynesian roots and focusses upon the idea of the balanced economy. The principles advanced here are "stability and countercyclical activity: governments should be prudent and proactive over the business cycle." In this case, deficits should be incurred during economic downturns in order that governments may play a role in stimulating economic activity through policies which would maintain levels of employment and personal income. Conversely, during periods of economic growth, government spending should be restrained and budget surpluses allowed to accumulate. In following this type of fiscal practice, "deficits and surpluses incurred over the life of the business cycle" would balance one another out. The appropriate utilization of fiscal stimulation and restraint would result in a stable economic environment.

The appearance of persistent government deficits beginning in the mid-1970s put into question Keynesian fiscal formulas. Classical notions of bringing public deficits down or eliminating
them altogether began to gain greater acceptance. Restraining government became a preoccupation of all administrations.

According to Allan Maslove, Michael Prince and Bruce Doern, a number of approaches to restraint can be identified. The mildest form of restraint is that of restriction. What is involved here is maintaining the base budget while slowing down its rate of growth. It is a limited form of budgeting by addition and could be called incremental restraint. A second approach involves freezing the budget. In this case, restraint can be seen as the intention to maintain the status quo. A third approach is centred on revenue generation, the raising of revenues through taxes and other money-generating measures so as to reduce the public debt.(8) All of these types of restraint involve attempts to manage public financial stress without fundamentally altering or threatening major governmental programs. These approaches to restraint employ "smoothing strategies"(9) on the part of governments; that is, they are intended to ease budgetary adjustments onto the population so as to avoid significant controversy and protest.

By contrast, a fourth approach to restraint is much more severe and dramatic in its thrust. This form of restraint has been labeled "retrenchment" and is associated with neo-conservative regimes.(10) Retrenchment involves fundamentally reorganizing the spending priorities of government. It sets out to alter the balance and relationship between the public and private sectors. The goal is the cutback of the role of government in numerous areas through such measures as privatization and the termination
of policies, programs, and public sector employees. This type of restraint is provocative in nature because its goals and methods of policy execution are 'radical' compared to other restraint approaches.

Restraint should be viewed not only as a fiscal policy but as expressive of a set of values. The utilization of restraint as an ideological device is most especially characteristic of neo-conservatism. The promotion of government policies under the name of restraint conveys to large sections of the population, not notions of fiscal practices, but rather a set of social values. Within the popular consciousness, restraint comes to mean such things as "discipline and curbing of excesses". As Pat Marchak observes:

[Restraint] can mean a more puritanical sexual code: it can mean women playing traditional motherly and wifely roles and men being unchallenged heads of families. It can mean obedience by children to adults, by workers to employers, by students to teachers, in short a more authoritarian society. It can mean the establishment of rules for everyday behaviour: rules that all are expected to observe so that everyone knows what to expect and how to behave.

For a post-60s and 70s society which has grown rather weary of permissiveness and is experiencing a sense of dislocation generated by the great social transformations of this earlier period, the idea of placing constraints upon such developments and regaining a sense of order enjoys some appeal. It is to such popular sentiments that neo-conservative restraint plays.
The British Columbia government in its 1981 budget was able to boast about the strength of its economy.

The exceptional strength and resilience of our own economy has come to the foreground in the past few years. While the rest of North America has sputtered and stalled, the Canadian West has surged forward. (13)

This was a time of considerable optimism as the government projected that the 1980s could well witness the province's emergence as "one of the most dynamic economies in the world." (14)

However, by the time of the issuing of the 1982 B.C. budget, the economic and political situation had dramatically reversed itself. The world economic recession had suddenly arrived in B.C. The natural resource industries were hit the hardest, as world demand for their products collapsed. Their sagging fortunes were rapidly felt by the provincial treasury. The B.C. government saw its total tax revenue from staple products tumble from $1.3 billion in 1979/80 to $613 million in 1981/82 — a fall of 53 per cent. (15)

The Social Credit government's reaction to this turn of events was to introduce a program of restraint. Favourable recognition was given to the efforts of the Thatcher and Reagan administrations in their struggles to restore health to their economies through restrictive monetary policies. However, the B.C. government noted the insensitive manner in which these policies had been applied. As Finance Minister Hugh Curtis commented: "So
vigorously... have these blunt and questionable measures been applied that a major recession has been inflicted on both the United States and the United Kingdom."(16)

The Bennett government pledged, like those in the U.S. and Britain, to take a leadership role in fighting the economic downturn, but also to implement "restraint with a difference", to bring in a restraint program "which serves the goals of fairness and equity among British Columbians."(17) Bennett, in fact, claimed that B.C. was the first government in Canada to have recognized the severity of the recession and to have undertaken corrective surgery via its restraint program.(18) B.C. may be only one of ten provinces in the Dominion, while Canada is but one of many nations; however, "this government believes that economic leadership and perseverance by a provincial government can make a difference."(19)

These 1982 restraint measures had at their heart what was to be a two year economic stabilization program which was announced by the Premier in a province-wide address in February. This program contained a number of elements. First, a 12% limit on spending increases was placed on all government funded operations. Second, a compensation stabilization program was introduced which established salary increase guidelines for all provincial public sector employees. And third, measures by the provincial government aimed at stimulating the economy and generating employment were outlined.(20)
The most innovative and controversial of these restraint measures was the compensation stabilization program. This program would be administered by a commissioner, former vice-chairman of the Labour Relations Board, Edward Peck. It set up limits of 10 per cent increases for public sector workers in the first year of the program and 9 per cent in the second year. This allowance for increase was slated as an inflation protector for the affected employees. (21) It should be noted that in February 1982 industrial wage settlements were averaging 15%. B.C.'s wage restraint program was a model for a similar program introduced by the Federal government to its employees in June of 1982 which established more stringent guidelines of 6 per cent increase limits in the first year and 5 in the second. (22)

The B.C. Compensation Stabilization Program (CSP) was quite sweeping in the number of people it affected. The measure applied to all workers employed by the "province, crown corporations, school boards, other educational institutions, hospitals, municipal and local governments" and "private societies performing public functions, such as private hospitals." Thus, the guidelines extended to both the provincial public and para-public sectors, covering some 200,000 workers in all, one in six of those employed in the province. (23) One of the interesting aspects of the B.C. program, in contrast to the Ottawa one, was that a measure of wage bargaining was retained.

James Matkin, a leading spokesperson for B.C. business, and Norman Spector, a top Bennett aid, argued that the Federal
The government's 6 and 5 program was a wage restraint model which placed the sword of Damocles over the heads of public sector employees because it allowed for no negotiation by the parties over the compensation question. By contrast, B.C.'s CSP was a more favourable program because, while it does legislate restraint, it at the same time retains collective bargaining rights, including the right to strike, and thus "is more consistent with industrial relations practices and the role of the trade union movement in a democratic society."(24) The authors argue that the 1982 BCGEU strike demonstrated that:

... there is no better alternative to collective bargaining — messy through it may be — even in a time of restraint. ...[F]rom society's point of view, agreements thus secured minimize any legacy of mistrust and pentup demand that can affect future negotiations, and are conducive to obtaining the cooperation of the trade union movement in bringing about economic recovery.(25)

It should also be noted, however, that the CSP did not constitute a normal collective bargaining environment. Provincial public employees' abilities to bargain freely were greatly compromised by the presence of Ed Peck, who had the power to impose a settlement if the bargaining parties could not agree to a contract that conformed to the wage and salary guidelines. The Commissioner could also roll back any settlement which exceeded the guidelines. This situation provided the public employers with a powerful weapon which tilted bargaining significantly in their favour.
The government argued that because wages and salaries constituted more than 60% of government expenditure, their restraint was necessary in order that public sector employee layoffs and major social program reductions could be avoided. In addition, on a theme which would be reiterated many times by Bennett, there was a "need for an equitable sharing of the burden of restraint imposed upon British Columbians by the world economic situation. Employees in the private sector are all too aware of the sometimes insensitive and unyielding way in which the marketplace restrains — through layoffs, unemployment and business bankruptcy."(26) Bennett defended his restraint program in these words: "The choice we face today is simple. Either we ask every British Columbian to pull in his or her belt one notch or ask a small number, a growing number, of our people to pull in their belts four or five notches."(27)

These restraint measures, since provincial financing was set below the rate of inflation, did constitute a check on the growth of provincial government and ensured that public employees, through forced wage and salary restraint, would 'share' in the burden of the austerity program. The extent of this sacrifice was certainly loudly denounced by organized labour, which claimed it imposed a disproportionate amount of the burden onto the backs of public sector workers.(28) B.C.'s Social Credit government was now clearly established as a leader within Canada in the drive for restraint. But the 1982 restraint program did not propose, or lead to, the slashing of social programs or to the termination of
significant numbers of public employees. The 1982 economic stabilization program had much more in common with the mild variety of restraint than with the retrenchment associated with neo-conservatism. At the same time, however, certain mechanisms like the CSP, and many of the arguments used to justify restraint in 1982, would be revamped and adapted in 1983 by the Social Credit government in its 'revolutionizing' restraint measures.

The 1983 British Columbia Election

The May 1983 provincial election proved to be a crucial one for determining the direction of public policy and social conflict in B.C. The Social Credit government had delayed issuing a budget until after the election and consequently much of the debate surrounding policy was of a rather general nature. It was a campaign marked largely by a leadership contest between Bill Bennett and Dave Barrett. The outcome was a victory for the Social Credit Party which increased its legislative majority, although the popular vote totals for the NDP and Socreds shifted little from the 1979 results.(29)

The election win was interpreted as a personal triumph for Bennett, whose party had gone into the campaign, it was widely believed, trailing the NDP. It was an election which put Bennett in full control of the Social Credit Party; no longer would he be beholden to the Liberals and Conservatives who had entered his coalition in the early 1970s.(30)
According to senior Bennett aid and 1983 Socred campaign chairman Patrick Kinsella, the strategy behind the election was to market the Premier as the person needed for tough economic times. Bennett, in contrast to Barrett, was deliberately sold as a "tough guy". As Kinsella observed:

The momentum was there. We saw it coming, because people believed what [Bennett] was saying, that in these tough economic times, who do you want to lead this province? Someone who believes in restraint. I think the people bought that hook, line and sinker, and so they should, because we made it stick.

The issues of political leadership and economic restraint became linked in the person of Bennett.

Kinsella noted that opinion polls indicated that the key issue of the campaign was jobs. The Socreds linked the question of job generation to the Compensation Stabilization Program. Bennett argued during the campaign that the way to create real employment was through the private sector. Barrett's comments during the election in which he threatened to phase out the Socreds' public sector wage restraint program were considered a turning point in the campaign. Bennett charged that such actions by an NDP administration would "create chaos" in B.C., undermining the government's fiscal stability and consequently the investment climate.

In assessing the election results a Vancouver Sun editorial concluded:

British Columbians, by increasing Social Credit's majority, made a strong philosophical
They reject socialism and reaffirmed their faith in the Social Credit free enterprise coalition.

They voted their trust in Mr. Bennett's government to steer toward economic recovery, even though it failed to articulate its policies very clearly in a campaign that featured few promises. But one policy that did come through loud and clear and which the voters obviously endorsed was the government's restraint program. (35)

Most business leaders in the province also interpreted the results as support for the notion that private enterprise generates jobs and that government must aid this process through restraining its spending. Business believed that the public was swinging toward a pro-business mood and was looking to the private sector to lead the province out of the recession. (36)

The B.C. labour leadership was disappointed with the election outcome and asserted its determination not to be pushed around by the new government. Bennett's comments during the campaign about altering the Labour Code to make union decertifications easier and banning strikes by ferry workers and teachers had concerned labour. Many labour leaders felt that such talk, however, was mostly campaign hype and that, once securely holding the reins of power, the Socreds would adopt a pragmatic approach to any changes affecting labour, (37) which, I have argued herein, was their past practice.

Restraint in the public sector, especially as it applied to the wages and salaries of public servants, did become a significant part of the 1983 election. But the meaning and extent of the restraint agenda of the government, aside from those
measures adopted in 1982, remained unarticulated. The specific intentions of the government with regard to restraint were deliberately kept vague because the Socreds were treading on politically dangerous ground. As Kinsella observed: "[The people] knew someone had to make some tough decisions and they were prepared to accept those tough decisions, as long as it didn't affect [them]."(38)

Milton and Rose Friedman in their work, *Tyranny of the Status Quo*, provide an analytical justification and endorsement for this approach. To announce the parameters of the government's restraint program before an election would arouse a staunch and vocal opposition from a small but powerful minority and would only gather lukewarm support from the 'silent majority'. The government would run the risk of an all-out battle with this minority who could well "beguile the majority, at least in the short run." Politicians, the Friedmans note, are not in a position to run such a risk at election time. The politician dedicated to restraint must introduce the policies at a point which will "give the majority sufficient time for a careful weighing of the pros and cons" of the cuts. A short election campaign simply does not afford the time necessary for the average voter to be able to rationally comprehend the cuts.(39) Bennett's 1983 restraint measures would not be unveiled until the election was concluded.
The Restraint Steamroller

In the aftermath of the election, the re-elected Social Credit government took several months to discuss the content of the provincial budget and the parameters of an enhanced restraint program. The cabinet retired to an Okanagan retreat to privately finalize its policy plans. Significantly, one of the guest advisers was Michael Walker of the Fraser Institute.(40) The legislature was finally called back in late June and a budget brought down on July 7. The budget, in a highly unusual move, was accompanied by a host of legislative Bills which complemented the general thrust of the new restraint Budget.

This onslaught of legislation and policy directives generated a frenzied response in the Legislature, media and the general public. The following day, the headlines of B.C.'s three leading newspapers captured the initial reaction. The Victoria Times-Colonist proclaimed the government had initiated "A shock wave of change", The Vancouver Province announced, "Budget to bulldoze services", and The Vancouver Sun's front page declared "Behind the [Budget] figures are the tears". The reporters covering the Legislature July 7 were swamped by the sheer number of significant changes the Socreds introduced.(41) This was a budget which was, in the words of Walker, "epoch-marking".(42)

The importance of the Budget to politics is clearly articulated by Aaron Wildavsky:
If politics is regarded in part as conflict over whose preferences shall prevail in the determination of... policy, then the budget records the outcomes of this struggle. If one asks, "Who gets what the government has to give?" then the answers for a moment in time are recorded in the budget. If one looks at politics as a process by which the government mobilizes resources to meet pressing problems, then the budget is a focus of these efforts.

... [Politicians], political parties, administrators, ... interest groups, and interested citizens vie with one another to have their preferences recorded in the budget. The victories and defeats, the compromises and the bargains, the realms of agreement and the spheres of conflict in regard to the role of... government in our society all appear in the budget. In the most integral sense the budget lies at the heart of the political process.(43)

The stated goals and direction of the government were clearly outlined in the 1983 budget. Attempts by government to spend B.C.'s way out of the recession offered no solution. The focus had to be placed upon restraint and increased productivity in the public and private sectors. Only through these measures could the province "return to the basic reality that prosperity must be earned."(44) The state could meet its part of the bargain by reshaping the balance between the public and private sectors, thus restoring the basis of a favourable working environment for private enterprise. In the words of the budget:

The budget provides what is needed to contain the size and burden of government so the private sector --- our major resource companies, all business small and large --- will have the climate needed to ensure our fragile recovery gains momentum.

The budget calls for major change. It calls for a new way of thinking about government, and about the expectations we all have. It calls for a recognition of the cost of government, a
The theme of the budget, as advanced by the government, was to reach a balance between "restraint which is essential for long term recovery and the provision of funding to stimulate employment in the short term." These competing claims of restraint and employment generation were to be harmonized by restraining permanent government expenditures while at the same time loading "certain future expenditures into the present year for job creation purposes." The budget took on the contradictory characteristics of a dedication to restraint, coupled with the goal of stimulating the economy.

The so-called stimulation component of the budget was to be provided by accelerating capital works projects. Of the $415 million set aside for capital works and job creation, nearly half, $205 million, was supplementary money. These additional dollars were to fund highway construction, dyking projects and agricultural development schemes. In total the funds allocated for capital works and job creation would generate an estimated 5,600 person-years of employment, about half of this employment, presumably, made possible because of the supplementary funds.

The tension within this job creation scheme is vividly displayed when contrasted with other aspects of the budget which called for drastic reductions in the number of civil servants and cuts in educational funding which would result in teacher layoffs. Any job gains in capital works would be more than offset by these
other losses. The government's logic can be understood and set in a less contradictory context by observing the selective nature of the employment cuts and stimulation. The cuts were centred in the permanent public and para-public employment areas, whereas the stimulation rested primarily within the private sector involved with provincial infrastructure development. Also telling was the budget's declaration that "the accelerated capital projects will help sustain construction firms throughout British Columbia until the economy fully recovers."(48) Evidence is provided here of the redirection of state resources toward greater direct aid of private enterprise. This, coupled with the Social Credit government's promotion of mega projects like Expo 86 and North East Coal, gives emphasis to the greater use of the state for accumulation purposes.

Serious questions are raised as to whether the 1983 budget could be considered a 'restraint' budget at all since it called for a rise in actual spending of 12.3% for the 1983/84 fiscal year.(49) This figure contrasted to the average increase in other provinces of only 8.2%.(50) Michael Walker made a telling analysis of the July 1983 budget by noting that it had very little to do with actual restraint but in reality represented the "spirit of restraint". The budget constituted the first beachhead in the ideological struggle to downsize government.(51) The budget was not about cutting government costs in the immediate term but sought to establish the framework and momentum for the redrawing of the public policy agenda.

251
Spending increases, coupled with a rapid decline in resource revenues, resulted in a government-projected provincial deficit of $1.6 billion(52), an increase from the 1982 deficit of $358 million.(53) This official deficit figure became a point of controversy as numerous professional institutions charged that the government was deliberately exaggerating the seriousness of the situation.(54) And, in fact, subsequent government calculations pushed the deficit down to $1.3 billion.(55) Moreover, the Socreds contended that the deficit was all the more serious because it represented a shortfall of revenues which was not short term but permanent. Bennett noted that two thirds of B.C.'s economy was export-oriented and that the growth rates of the 1960s and 70s had faded, with no bright prospects for the 1980s or 90s. Under these fiscal circumstances "some very hard decisions" had to be taken.(56) Even with economic recovery in the province's primary market, the United States, commodity prices failed to regain their former strength. It was not reasonable to expect that the deficit could be eliminated without either a substantial increase in taxes, which was unacceptable, or a fundamental alteration in the budget priorities, due to the fact that the government's revenues had been undermined by "a fundamental realignment of world commodity prices."(57) The province's position as a staples producer placed it in a vulnerable situation with respect to public finance; B.C. was confronted with the prospect of a structural deficit.
Why, it must be asked, did the government deliberately inflate the provincial deficit? The sudden appearance of a substantial deficit enabled the Social Credit government to more easily legitimize program cuts in the area of social policy, and retrenchment in the number and salaries of public employees. The government could utilize its "valiant battle against the deficit dragon" as a "public relations exercise"(58) in support of the new policy direction in which they were steering the state. This is not to conclude that the state fiscal problem was not real, as some have suggested. While the deficit was inflated for political reasons, the fact remained that the downturn in natural resource prices and markets did send the economy into recession, placing heavy financial burdens on the state. The B.C. Economic Policy Institute suggested this was only a cyclical deficit and that the government's restraint policies were only aggravating the situation by deflating demand.(59) The Socreds, by contrast, contended that without corrective measures the deficit would be permanent because of the profound structural transformations in the economy.

For the government, the solution was to fundamentally re-examine state spending and provide a climate that was more favourable to business operations. The cost of government had gotten out of control; Bennett noted that in 1950, government constituted 20% of GNP but by the 1980s it had climbed to over 50%. "The fact that it is over 50 per cent", Bennett declared, "means that the present economy cannot afford it and government,
unable to raise the taxes for some years now, has been using a Chargex card approach."(60) In the household economy, credit would not be used to purchase basics like food, although it could legitimately be utilized for home or car acquisitions. Analogously, government ought not to go into debt to support ongoing programs, although debt plays an appropriate and necessary role in capital projects such as infrastructure development and hospital construction.(61) Bennett explained the budget in these terms:

What we've done is take a common sense, practical approach, like real people in B.C. have been doing to face the recession in their own homes, like not spending more than they earn ...

All we're doing, as an extension of their family budget, is trying to manage the government the same way.(62)

A healthy climate for investment could be induced through a variety of measures. Most importantly, a more favourable balance between the public and private sector had to be reached. This could be achieved by implementing a neo-conservative agenda of slashing state social expenditures and government deregulation of market activities. Additionally, this process could be aided by lower business taxes, constraining trade union power, and by using state resources to promote business ventures through corporate incentives and infrastructure development. The government's energies had to be "directed away from simply subsidizing jobs and income ... toward wealth-creating activities."(63) The restoration of the economic competitiveness of B.C. industries, the Socreds
maintained, could only be accomplished by restoring the dynamic of the market place and by broadening the economic base.

The government's industrial strategy was one of attempting to diversify the staples-based economy of the province and reorient it away from the American metropole, toward the rapidly expanding Pacific Rim economy. B.C.'s role in this new economic arena would not only be that of supplier of raw materials (a' la North East Coal) but also as a source of skilled labour and as a service centre. B.C. would become, as Universities, Science and Communications Minister Pat McGeer put it, the "intellectual Philippines" of the north.(64) Expo 86 stood as a pillar behind this new economic vision, as Expo was intended to attract business interests eager for Pacific Rim trade, and expose them to the investment potential of the Vancouver region.(65) Millions upon millions of dollars in investment in high technology, finance and services geared to the Pacific Rim economy were to be the end results. Providing business with a favourable investment climate (i.e. a broken and divided labour movement, a relatively cheap labour pool, a low and competitive tax rate, and a deregulated operating market) would serve as the chief lures.

If the budget provided a philosophical statement as to the government's general political direction, then the legislative bills accompanying the budget gave substance and some indication concerning tactical considerations in conducting the Socreds' restraint program. Tactically, the Socreds opted to implement their restraint agenda through what Allan Garr has termed the
"big-bang strategy". This strategy consisted of introducing the core elements of the restraint program in one comprehensive package without forewarning. By failing to engage in a process of consultation on the policy changes and decisively attacking a broad range of interests at once, the government felt that the opposition would be caught off guard.(66) The restraint blitzkrieg was designed to strike a paralyzing blow, leaving the 'special interests' unable to organize effective resistance to the cuts. Given the ideologically charged civic culture found in B.C., it was believed that by making the cuts quickly and early in the government's election mandate, the necessity to engage in political compromises over the agenda, due to 'special interest' pressure, would be largely neutralized ---- the restraint program could be preserved intact. The strategy proved to be only partially successful. Moreover, the severity of the government's legislative measures generated a good deal of apprehension in the business community(67), but it was the Socreds' belief that a radical path of conflict was unavoidable.(68)

The 1983 Socred restraint program can be broken down into four distinct categories: 1) measures designed to strip collective bargaining rights from public sector workers and reduce their numbers; 2) statutes which attacked renter and human rights; 3) policies and legislation aimed at dismantling government services; and 4) measures which centralized power in the hands of the cabinet. The most important of the twenty six bills introduced, along with the 1983 budget, can be placed in these categories.
Public Sector Unions Targetted

A package of measures designed to check the power of public sector unions was a vital component of the larger goal to downsize government, restore business confidence, and resurrect market forces. In terms of industrial relations, the Socreds maintained that governments in the past had set a negative example which hurt investment opportunities. "Governments [had] assumed the role of model employers", providing overly generous wage and benefit packages, and life-time job security for their employees. The government established the lead, followed by the private sector, in establishing the basis for unearned prosperity.(69) One effect which this is claimed to have had is wage inflation. Sandra Christensen has estimated that for the 1970s there existed a 6 to 8 per cent relative wage mark-up in the public as opposed to the private sector which distorted wage levels in the economy as a whole. As she concluded:

While the logic of the prevailing wage principle implies that the public sector should take its lead from private sector compensation packages, Canada in recent years has seen the reversal of this principle, so that now private sector employees are pointing to gains made in the public sector to justify their bargaining demands.(70)

The Social Credit government credited its compensation stabilization program and other restraint initiatives since 1982 with the appearance of a pattern of declining wage settlements. Thus, continued restraint of wages was essential for combating inflation.(71)
Unlike the private sector, the public was a pampered component of the economy which had become insulated from the effects of recession --- it had become recession proof. In the private sector, there existed an "ultimate disciplining force", the market, which controlled wages and other costly improvements to working conditions, but in the public sector the only constraining instrument was strong government. (72) The Socreds' restraint program from 1982 on was designed to remove this insulation and once again provide the public sector with a leadership role, but this time in the more positive sense of setting the standard for a restraint on excessive employee demands and ensuring that the public sector earned its way. (73) A leaner and more efficient bureaucracy was necessary. The chief obstacles in the way of this goal were the public sector unions. David Young, in an influential essay, outlined the perspective of the political right:

Powerful new public sector trade unions are emerging, dedicated to winning higher wages, salaries, better working conditions and, incredibly, greater security for public sector employees. Developing militancy among these public employees promises to make even more difficult the task of those elected representatives who would reduce the size of the bureaucracy, or control the cost of the bureaucracy, or control the rate of bureaucratic expansion. (74)

The public sector was dubbed parasitical by the government because the only real jobs which could propel the economy to prosperity were those in the private sector. The facilitation of job creation in this sector was thus essential. (75) However, excessive bureaucracy threatened this prospect; first, because it
was too costly and out of step with the private sector. And second, because "bureaucracy produces excessive effluvia in the form of limitations on individual freedom and interference with private or corporate activity."(76) Trimming the bureaucracy was a formidable task since public servants constituted a politically powerful 'special interest'; they were a major component of the 'new class' spoken of by neo-conservatives. To paraphrase Michael Walker, the problem with civil servants is not that they are lazy and incompetent, as the old right wing critique would have it. The difficulty stems from the fact that they are bright, imaginative and industrious; consequently they use their skills to discover new ways of regulating and "encroaching on the private sector."(77) Moreover, as Michael Walker pointed out:

It is an historically observable fact that the civil service, aside from providing the much praised administrative continuity in parliamentary government, has also provided an ideological consistency and a lag in the adjustment to new ideas and political directions.

At a time when the government in British Columbia is attempting to make the transition to a new vision of the future, it is appropriate that the continuity of ideas provided by the civil service be broken.(78)

The political right contends that bureaucracy has an inevitable and natural tendency to expand and augment its power. The self-interest of the public service dictates that it will vigorously resist any move designed to check its growth. Consequently, in order for a political party to guide the state along a neo-conservative path, the civil service must be significantly cut. Not surprisingly, the Social Credit government
announced its intention to reduce the number of B.C. public servants by 25 per cent over a two year period,(79) as well as increasing the teacher-student ratio in B.C. public schools, thus leading to a significant reduction in teaching positions in the province.(80)

One journalist termed the Social Credit 1983 policy agenda as a declaration of a "reign of terror" against its civil servants --- an agenda emphasizing disemployment in the public sector.(81) For Walker, the government's commitment to terminate civil servants constituted the most significant aspect of the Socreds' 1983 "restraint" program. He argued:

In terms of launching the province along the ideological lines strung out previously in other countries, perhaps the most significant aspect of the reforms introduced last week is the intention to reduce the size of the public service. To a very considerable extent the ideological and fiscal momentum which government has acquired over the last 15 years has been a consequence of the fact that administration after administration and minister after minister have been captured by the ministries which notionally they led.(82)

Bill 3, the Public Sector Retraint Act, was to arm the government and other para-public employers (municipalities, school and hospital boards) with the weapon to carry out its disemployment agenda with impunity. According to provincial Secretary James Chabot, the Bill would "provide the Government and all related public-sector organizations with the authority to reduce the size and scope of Government in line with the decreased ability of taxpayers to pay for Government services."(83) As first drafted, Bill 3 permitted employers in the public sector to
dismiss their employees without having to state the cause, irrespective of such factors as seniority, upon the expiry of the collective agreement. The "without cause" provision of Bill 3 was significant because it would provide the state employer with a free hand to quickly chop the size of its workforce. The B.C. Government Employees' Union had previously negotiated a contract which granted the union "an absolute prohibition on layoffs for any regular employee with two ... years or more of service."(84) This was one of the factors which the Socreds claimed made the public sector recession proof and it constituted a major obstacle in restraining the size of the state.

The administrative rationale for cutting the civil service in such a manner was provided by David Young. He argued that in personnel downsizing neither attrition nor reduction on the basis of seniority should be used because first, they do not work, and second, they fail to remove inefficient employees.(85) However, more important than administrative considerations for the neo-conservative agenda is the latitude such an approach allows for the government to use dismissals, not just with the aim of quickly and substantially reducing the size of its labour force, but in providing the employer with an important disciplinary tool to break the militant public sector unions. By confronting the unions in this tough manner, an example would be set for private sector employers about how to deal with their own unions. In order to implement the neo-conservative industrial strategy, i.e. an accumulation strategy founded upon the principles of an open
economy driven by market forces, the industrial relations system in the province needed to be dramatically altered. The state in B.C. would lead the way by curbing the powers of public sector unions through hard bargaining and legislative fiat.

The "without cause" provision for firing employees became perhaps the most controversial of the Socred measures. The government was widely attacked for introducing a Bill which assaulted a principle of basic justice(86), the right to be dealt with in a fair and non-arbitrary manner. It was popularly accepted that dismissed personnel should at least be entitled to receive cause for their termination. Moreover, the clause was viewed as intended to incite the anger of the trade union movement. Amidst growing criticism, protests, and the prospect that the clause might well be revealed to be unconstitutional, in early August of 1983 Bill 3 was amended. In the place of the "without cause" firing provision, a new clause was introduced which necessitated that the public sector employer broadly state the reasons for termination (i.e., when an employer considered that performance or funds were insufficient), it allowed for a measure of negotiation with employee representatives on layoff criteria, and put into place a weak appeals procedure.(87) While the amendment eliminated the disagreeable "without cause" clause, the general intent of Bill 3 was not altered. It still provided the government with sweeping powers to dismiss civil servants almost at will, with no regard to past contract provisions.
It was the thrust of Bill 3 which was most important to the government. It was determined to achieve a 25 per cent reduction in staff and at the same time undermine one of the fundamental principles of trade unions, job security. In this regard, the government was only partially successful. It did achieve its aim of public sector disemployment; by the end of 1984 some 11,300 public sector staff positions had been terminated, very close to the 25 per cent target. Additionally, thousands of positions in the para-public sector were also eliminated due to government 'restraint' guidelines and initiatives governing other public sector employers. For instance, over 3,500 teaching positions have disappeared since 1983. However, the public sector unions, after the November 1983 strike, were able to retain the principle that seniority be applied with regard to layoffs and recalls. Bill 3 remained on the books but public sector unions won the right to negotiate exemptions from it. But while the principle of seniority was successfully defended by public sector unions they were forced to concede that the government had the right to lay off and terminate tenured staff. Chabot noted that in the past: "Restraint had always been done through hiring freezes or attrition ..., but we determined that you wouldn't move fast enough through attrition. When cutting programs you need to lose people." On this principle, the government came out the clear winner.

The government's labour agenda also contained measures covering other collective bargaining concerns in the public sector. Bill 2, the Public Service Labour Relations Amendment Act,
applied only to civil servants and thus affected only the BCGEU and two other smaller unions. The Bill was aimed at limiting the range of issues which could be bargained over between the Crown and its employees. Collective agreements, under the legislation, could not affect such questions as overtime, work hours, scheduling of shifts or vacations, job reclassification or reassignments, job security, work assignments and numerous other issues affecting working conditions. Bill 2 did stipulate that wage negotiations were still subject to free negotiation, but wage and salary compensation was already tightly regulated by the revamping of the compensation stabilization program in Bill 11. The effect and intent of Bill 2 was the 'gutting' of the BCGEU collective agreement, leaving the union, upon the Bill's enactment, nothing to negotiate but wages under tightly constrained circumstances.(91) Bill 2 was an attempt on the part of the government to achieve, through legislative decree, what it had failed to gain in the past in 'free' collective bargaining.(92)

The Compensation Stabilization Amendment Act, Bill 11, lifted the two-year sunset clause which had previously existed for the government's public sector wage controls. These controls were extended for an indefinite time. It established new and by far the most regressive compensation guidelines in the country, of minus-5 to plus-5 per cent. Moreover, a new set of criteria would apply for determining the level of public sector wage increases, namely, the government's 'ability to pay' and increased employee
productivity. As the Budget stated: "The Compensation Stabilization Program will continue to play a central role, both in bringing down inflation and in supporting government restraint and productivity improvements."(93)

However, the 'ability to pay' is a concept which is to be determined and defined by the employer. After all, only the government can decide whether or not to raise taxes, and the Socreds had already declared that the public purse was empty.(94) It has been the employer's definition of 'ability to pay' which has governed the rulings of the compensation arbitrators. 'Objective' factors raised by the union in the determination of the 'real' ability of the public sector employer to pay increased wages and salaries have not been admissable under this system.

Many of the same difficulties present themselves in the productivity debate. While the Socreds stressed in the Budget that productivity had to become a central concern and theme in government sector 'reform', no definition of the term was offered. As A.R. Dobell observed, there was no suggestion of how productivity would "be recognized, measured, or increased in the public sector".(95) Finance Minister Curtis noted that wage increases which were not matched by productivity gains would, by definition, exceed the employer's ability to pay.(96) Once again, productivity was a term which could be conveniently utilized by the government to legitimize the restraint of the wages and the numbers of civil servants; it would be used as an ideological tool.
by the government, as part of the government's neo-conservative vocabulary. (97)

As a package, these three statutes (Bills, 2, 3 and 11) attacked and were directed at undermining the core principles of trade unionism. Enacted, they would effectively negate the role and functions of a union in the civil service. The Bills, logic would dictate, were initially designed to destroy the BCGEU and seriously weaken other para-public sector unions. This suggests that the Social Credit government does not view unions in the public sector as legitimate entities within a capitalist society. It was an NDP government which granted collective bargaining rights to public sector workers in the early 1970s, after years of resistance to such a move from the W.A.C. Bennett administration. The pre-1972 Social Credit Party was guided by the philosophy that 'the Queen does not bargain'. The new Social Credit government in 1975 accepted public sector unionism as a de facto force. But the economic crisis of the 1980s and the government's restraint program provided an opportunity to challenge the notion of free collective bargaining in the public sector, as proven by the character of these three Bills.

Bill 11 was passed into legislation, but Bill 2 was allowed to die on the order paper as part of the November settlement with Operation Solidarity. The government was unable to fully implement its anti-labour agenda for the state sector in 1983. One interesting omission in the government's 1983 restraint package was an attempt to place limitations upon the right to strike in
the public sector. One can only speculate as to why this 'oversight' occurred. A possible explanation may be that the government looked forward to engaging in economic and public opinion battles with the BCGEU. The Socreds were aware of how unpopular public sector strikes generally are and perhaps felt that there was political advantage in polarizing the electorate around such an issue, believing it would be the government's position that would be strengthened in the process. Also, a BCGEU strike opened up a possibility that the union could be isolated from private sector unions in the province and thus more easily destroyed. If these were the government's expectations, they were not realized.

While the core of the government's legislative assault on public sector unions was contained in these three Bills, two other statutes also negatively impacted on trade union concerns. Bill 18, the Pension (Public Service) Amendment Act, was passed into law in September of 1983. On the surface, it posed as simply a measure aimed at reorganizing the administration of public sector pension financing. It abolished terminal funding and increased employer but not employee contributions to the pension fund. But the effect of the reorganization was to increase the unfunded liability (the discrepancy between existing funds versus future expenditures) of the public sector pension scheme. Projected funding shortfalls greatly concerned the affected employees. In future moves, (see Chapter 6) the government would similarly place Workers' Compensation's long-term financial solvency in question.
by allowing its unfunded liability to be substantially increased. Bill 18 also contained provisions which enabled the public sector employer to take back management's share of the pension contribution upon the termination of an employee. (98) Naturally, this provided an incentive to the public sector employer to eliminate staff, thus contributing to the government's drive to downsize the public sector.

The Employment Standards Amendment Act, Bill 26, was the one labour statute which directly affected both the public and private sectors. The legislation had a number of effects; first, it abolished the employment standards board which had been charged with the responsibility of mediating disputes over breaches of legislated minimum employment standards between non-unionized workers and their employers. The courts are now the only state body to which the unorganized can turn if they feel their rights have been violated. Of course, such an alternative is both a costly and lengthy process for such individuals to pursue. The Bill also changed the rules on payment of owed wages and severance pay. Individual directors of private corporations are no longer personally liable for such damages. Moreover, the statute now allowed employers, upon the expiry of the collective agreement, "to have the contract or any part of it declared void and the terms set by the Employment Standards Branch" of the Ministry of Labour. (99)

Significantly, the whole notion of a common set of minimal employment standards is undermined by Bill 26. The Act allowed
collective agreement between employers and employee representatives in both the private and public sectors to override government-established standards on questions such as hours of work, overtime, layoff provisions, vacations, pregnancy leave and the like. No longer are there minimal employment standards which every worker enjoys. "It is possible", Ruth Annis notes, "that union workers could have less protection than non-unionized workers, if in negotiations they were forced to accept terms below the minimum standard."(100) Jes Odam summed up what the statute means to the employer and to the worker:

What it means to a potential investor: An opportunity to get a sub-standard new labor contract to keep costs down, or to get out of the terms signed by a former employer. And protection from having to pay severance pay from his own pocket if the new venture should fail financially.

What it means to a unionized employee: Possibly having to agree, in order to get or keep a job, to work longer for less money, fewer benefits and less protection than would be required by law in a non-union shop. One labor lawyer expects women to be hardest hit.

What it means to an employee of any company that goes belly-up: Less chance to collect severance pay.(101)

The neo-conservative thrust to the 1983 B.C. Social Credit government legislative program is clearly revealed. Union power, especially in the public sector, was legislatively checked and employment standards eroded. A government agenda was set into motion which sought to deregulate the work place. This was all initiated in the pursuit of a more favourable investment climate. The mandate of the 1983 restraint budget, according to Bennett, was to "make B.C. a place in Canada and North America where
business and industry will find it profitable to employ our people". Of course, some will interpret the government attack on the BCGEU as consistent with the policy of the W.A.C. Bennett era, that is, a return to the values of traditional small "c" Social Credit conservatism. Clearly, there exist some parallels with the past. However, it is crucial to note that the overriding rationale for the curbing of public sector unionism in 1983 was issued in the plainly neo-conservative language of market values, rather than W.A.C. Bennett-style paternalistic arguments. The elder Bennett's rationale for opposing public sector unionism was based upon traditional arguments in favour of state sovereignty. He advocated the placement of restrictions upon the private sector unions' right to strike because of the danger strikes could pose to a staples based economy. Also his support for state-sponsored mega project development was a factor in his desire to limit strike action.

The Assault on Rights

While the various labour-centered statutes occupied much of the trade unions' attention, two other pieces of legislation which tackled the issues of human and renter rights received an equally stormy reaction from other sections of the public. The Human Rights Act, Bill 27, and the Residential Tenancy Act, Bill 5, became the centre of debate over the direction of social policy in the province. The Premier mapped out the new course in an
interview with Maclean's where he articulated his objections to publicly-funded agencies which purportedly protect the rights of British Columbians. As Bennett noted:

When we got into international recession, it seemed like a good time to re-examine what governments should be doing. In that examination we found that, although desirable and well motivated at the time, there had grown up in our society and in our province a sort of belief that agencies not directly responsible to the government and therefore to the people were somehow more pure than government departments themselves. The fact that they were given powers without having any checks and balances, to me and to my colleagues this seemed to be not democratic. One area of concern is human rights. Our Human Rights Commission was under a lot of attack. Rather than [being] an area to which people could take legitimate complaints and have them heard quickly and inexpensively, [the commission] pursued frivolous complaints and moved so slowly that in many cases justice was delayed. (103)

According to the political right, the proliferation of government proper, and public bodies, to regulate human behaviour has detracted from, rather than enhanced, the quality of democratic life. The over extended state has stifled individual freedom by excessive regulation. It fosters not 'the pursuit of happiness' but the recognition of trivial claims and excessive demands upon the state. The very existence of agencies like human rights commissions generates demands, many of which are bogus, for their services. The personnel of such bodies (part of the 'new class' identified by neo-conservatism) have a self-interest in generating a clientele whether or not there exists an actual need for the service. Political bureaucratic domination has come to be substituted for individual decision-making in an open marketplace.
The welfare state promotes the parasitical, who live off the largess of the state and who hinder the productive members of society. Freeing the market of regulation, eliminating the state subsidization of parasitical elements, will promote freedom by enhancing the opportunities for individualism and competition.

This is an argument distinctly neo-conservative in its origin and one which lies behind the Socreds' new direction for social policy. One of the goals the Social Credit government succeeded in realizing in their 1984 Budget was the lowering of the B.C. public's expectations concerning the role of the state. The Budget argued for the need for individuals to continue moderating their demands upon government services, since there were "real limits to the range and volume of services which [could] be provided." Greater self-reliance was both necessary and demanded by the B.C. government.(104)

The governing Social Credit Party, since it is more comfortable with negative than positive rights, has concluded that the positive state has gone too far. Negative and positive liberty express two differing conceptions of the role of the state. Negative freedom is the right to be free from constraints, including government authority; it advocates doing what one wants as long as no one else's liberty is trampled upon. The state's role is simply to protect the rights of the individual to engage in this freedom of action. Negative liberty is associated largely with civil and political freedoms such as the right to free speech and the right to vote. These rights do not necessitate a state
which actively aids people in realizing their rights; the state's role is simply to ensure that others do not interfere with these liberties.

Positive rights, by contrast, are claims to specific benefits. Positive liberty is associated with the rise of the welfare state and, with this, the advent of social citizenship. As a citizen, one has a right to such things as an education, universal health care, affordable housing, a social and economic safety net in case of unemployment, protection from racial and sexual discrimination on the job, and so forth. The state has a duty to provide the citizen with these benefits and protections; the government must take an active role in insuring that these benefits and rights are fulfilled and upheld. It is this collectivist aspect to the state's role embraced by the "positive rights doctrine" which Social Credit finds objectionable. It wishes to draw back from the positive state, toward a more market-oriented society.

Bill 27 did not attempt to abolish the codification of human rights in British Columbian law, but it did aim at fundamentally restructuring the basis of its operation. The old Human Rights Act with its group/collectivist-based public interest philosophy was subject to substitution by an act which approached human rights cases from an individualistic orientation. Enforcing human rights was to be 'privatized'; it would be a matter of individual initiative.

The Fraser Institute had argued for just such an approach to the human rights question. Walker maintained that the market, if
allowed to freely operate, "has within it an adjustment mechanism which tends over time, in competitive industries, to eliminate systematic discrimination." This is the case because discriminatory practices cost money, since they work against free enterprise principles, distorting market outcomes. Moreover, "perfectly sensible, low-cost, and minimally bureaucratic" mechanisms already exist for countering discriminatory practices, i.e. the courts. Employees enjoy the right to sue employers for discriminatory practices.(107) By individualizing/privatizing the safeguarding of human rights, potential blocks to the market could be eliminated and the promotion of serious human rights protection enhanced. B.C. Attorney Brian Smith expressed just these concerns:

The old legislation gave enormous advantage to complainants. The investigating officers became advocates of the complainants. I used to represent employers, small businessmen, and they were being choked with process and demands under the old system and there was nobody at those hearings who was paid by the state to represent the employers. The old procedure lowered the esteem for human rights.(108)

Bill 27 set about to deregulate human rights by abolishing both the Human Rights Commission, which served as the educational vehicle, and the Human Rights Branch, which processed the actual complaints of discrimination. They were to be replaced by a Council for Human Rights which was to be appointed by Cabinet, and hold office only at the pleasure of the government, and they would "have the right to refuse to investigate complaints that [were] deemed to be outside the council's jurisdiction, trivial or not
timely." (109) One of the first acts of the government, after its tabling of the July Budget, was the termination of the twenty investigative officers in the Human Rights Branch, leaving only a skeleton caretaker staff. (110) In a press release, the Socreds termed the dismantling of the human rights apparatus as "measures reflecting a changed need for government involvement." (111) Charles Paris, a former chairperson of the Human Rights Commission, noted that human rights in B.C. without a Commission or Branch meant human rights without public education or enforcement. This action was initiated by the government because the Human Rights Commission was effective; it was doing its job too well, and the Social Credit government could not tolerate independent critical voices. (112) As Paris charged in an open letter to the Premier:

Your new substitute for the Human Rights Code, Bill 27, has as its first objective to do away with the independent statutory voice of the commission. That is the reason you are throwing up this smokescreen about the commission's mishandling of its statutory obligations. You are doing away with this independent voice because you are unable to bear criticism. (113)

Other aspects of Bill 27 also contained features which were compatible with the rightward drift of the Socreds. The Bill, unlike previous regulations, did not prohibit discrimination in employment advertisements. Even more significantly, the statute eliminated the "reasonable cause" provision of the 1973 Human Rights Code. (114) The provision was important because it provided protection against discrimination on the grounds of age, sexual
orientation, language ability, height and weight, physical and mental handicaps, and the like. Moreover, the provision covered not only intentional discrimination but also the unintentional aspects of discrimination. For instance, if it was found that height and weight restrictions in employment operated to unduly restrict women from certain occupations, the regulations could be considered to be contrary to the Human Rights Code and thus unlawful. However, under Bill 27, only intentional forms of discrimination would be contrary to the Human Rights Code and thus prosecutable. (115)

The legislation provided for "a definitive list of grounds of unjustified discrimination, thereby eliminating flexibility enjoyed by boards of inquiry in the past." And while prohibition against discrimination on the basis of physical or mental disabilities was added to the list, this form of discrimination had already been covered under the "reasonable cause" provision. (116) What is revealing concerning the government's philosophy of human rights protection is what forms of discrimination remained uncodified. Reflective of the social conservatism of the Social Credit administration was the absence of protection from discrimination for homosexuals.

As part of the Kelowna Accord, Bill 27 was allowed to die in December of 1983 on the legislative order paper. However, the human rights enforcement and educational apparatus was not restored, and on May 16, 1984 Bill 27's successor, the Human Rights Act, Bill 11, became law. Bill 11 represented no
substantive improvement over the human rights shortcomings of Bill 27, retaining all of the "objectionable features" of its predecessor. The statute established a five-person government-appointed council, the B.C. Council of Human Rights, which enjoys broad powers to dismiss complaints. Again, the political independence of the council is suspect, since its members hold office at the pleasure of the government. No educational role was mandated to the council, and no provision was made for a trained investigative staff. Like Bill 27, the Act did not provide for a "reasonable cause" provision, which left in doubt protection against sexual harassment or pregnancy discrimination.

Bill 11 requires that "the complainant establish that there is intent to discriminate in order for there to be an offense under the act." No avenue was opened for an appeal of the council's decisions, and the complainant may, if unsuccessful, be required to pay the costs of the proceedings.(117) Establishing intent to discriminate is naturally often extremely difficult for the victim of discrimination to do. Additionally, given that the most common victims of discrimination are minorities and women, i.e. those at the bottom of the socio-economic ladder, the prospect of paying costs of proceedings will act as a considerable deterrent to the launching of discrimination charges.(118) A further indication of the lack of commitment to effective human rights enforcement is revealed in the cutting of funds for this area. From the 1983/84 to the 1984/85 fiscal years, the human
rights' budget was reduced from $1.2 million to $690,000, or only 25 cents per capita. (119)

The head of the Federal Human Rights Commission, Gordon Fairweather, provided the following revealing assessment of the Socreds' legislation:

The government in British Columbia has torn up the social contract concerning B.C. They are seriously out of step with the rest of Canada. That, of course, would be OK if they were ahead of the parade but with this intended law [Bill 111] they are well behind the rest of the provinces and the Canadian Commission's statute.

B.C. has the highest proportion of non-white population of any of the provinces and the very place they need a strong human rights commission. They've decided to go another route. (120)

The 1984 B.C. Throne Speech placed the Socred policies in context: "British Columbia is entering a new era in human rights, where a greater emphasis will be placed on individual responsibility for eliminating discrimination." (121) This represents a self-help approach to human rights and constitutes the victory of individualism over collectivism. It in large measure ignores the impact of discrimination upon minority and other disadvantaged groups in society. (122) The impact of the legislation is especially important to workers, since about 70 per cent of the complaints issued to the Human Rights Commission concern job related issues. (123) Consequently, the changes in human rights legislation can be viewed as part of the government's drive to deregulate the workplace and provide a more hospitable climate for investment, central neo-conservative objectives.
The Social Credit government adopted a similar approach to the question of tenant rights. The Income Tax Amendment Act, Bill 4, which was passed into law in October 1983, repealed the renter tax credit for B.C. tenants in the low- and moderately-priced renters' market. The renters' credit had allowed for as much as a $150 credit for renters with a taxable income of less than $10,000. This policy was not unexpected, as the government had announced in the previous legislative sitting that it would remove this tax benefit to lower-income British Columbians. However, Bill 5, the Residential Tenancy Act, was a much more controversial and substantive attack on renters.

Bill 5 set out to strengthen the hand of landlords by allowing rents to be determined by market forces and removing certain protections from tenants. The Act eliminated rent controls and abolished the Office of the Rentalsman which acted as an agency which took and acted upon complaints from tenants, and which, more generally, operated as a dispute resolution body for landlords and renters. All such disputes were to be transferred to the regular court system. Further, Bill 5 gave landlords the right to evict tenants without cause. This statute was viewed by the government as a measure which would restore decision-making freedom to individuals in the open marketplace. The very existence of the Rentalman's office encouraged disputes between landlords and tenants "by funding a venue for them"; its elimination would inspire a more cooperative relationship by forcing landlord and tenant to iron out their own differences. (124)
The problem with rent controls, according to such bodies as the Fraser Institute, is that they infringe upon the operation of the market, generating distortions. By artificially deflating rental unit prices, housing shortages are induced because the profit incentive to build such units was removed. The only solution is their abolition, a proposition which the Social Credit government agreed with. (125) Bennett viewed his government's legislation as a move designed to curb state bureaucracy and reintroduce the justice of the marketplace. As he argued:

We are reassessing every aspect of government that has regulations. Rent control, for example, is probably one of the least democratic laws introduced by government. What it does is pick on a minority lumped as unpopular ... [landlords] (126)

Michael Walker argued that the ending of rent controls was one of the major aspects of the Budget. He congratulated the government for having the "foresight and the political courage" to introduce a type of legislation which was bound to politically damage the Socreds in the short term. (127)

The opposition to proposed tenant legislation was intense and, for the Solidarity Coalition, Bill 5 stood as one of the key Bills which had to be removed by negotiating with the government. As part of the Kelowna Accord, Bill 5 was allowed to die on the order paper. But, as with human rights, the government passed Bill 19, the Residential Tenancy Act, on May 1, 1984 which retained the major components of Bill 5. The Residential Tenancy Act, as in the previous Bill, abolished rent controls, and it
eliminated the Rentalman's Office. However, in place of the Office, a government-appointed arbitration system to hear tenant complaints was established. But the political independence of the arbitrators is suspect because of the appointment procedure. All disputes involving finances are required to go to the courts to be resolved. Moreover, there is a user charge of $30 attached to the arbitration process for tenant non-financial complaints against landlords. (128) This provision places an especially heavy burden upon low income earners. David Lane of the B.C. Tenants' Rights Coalition made the point in this way:

That would make it impossible for poor people to go to arbitration. ... [I]t would cost a tenant $30 to go and get his fridge fixed. And a tenant faced with an eviction notice would have to pay $30 or he would be out on the street. If a tenant doesn't dispute an eviction notice he has no recourse left --- he will be out. (129)

Lane referred to this provision as "blatant discrimination" since the landlord faced no comparable deterrence fees, for example, $30 to evict a tenant. It is those on welfare and fixed incomes who are to be effectively stripped of their rights as tenants. (130)

One area where Bill 19 did make an important improvement over Bill 5 was that the eviction without cause provision was removed. "Reasonable cause" must now be provided by the landlord, but "reasonable cause" remains undefined, allowing considerable room for manoeuvre by the landlord. (131) The Socreds have moved to undermine "institutions and processes" which have served as avenues of "appeal, redress or, in many cases, opposition to provincial government action." (132) The end result is that tenant
rights have been greatly curtailed and market forces freed in the rental business. These changes have disproportionately hurt poor people. John Sewell documented the dramatic increases in housing costs for low rent units in the immediate post-control period.

In February, 1983, with controls still in place, a controlled one-bedroom unit fetched an average rent of $295, a two-bedroom unit $340. In comparison, a one-bedroom unit not under controls rented for $426 and a two-bedroom for $594.

... Today, nine months after controls, a one-bedroom unit rents for $424 --- a 44 per cent increase for uncontrolled units and a slight decrease for exempted units. A two-bedroom unit fetches $601 --- a 76 per cent increase for uncontrolled units and a slight increase for exempted units.(133)

Cuts to Services

The 1983 Budget outlined significant cuts to a broad range of programs. These cuts were especially targeted at the poor who are dependent upon the state for their subsistence. The neo-conservative philosophy guiding the cuts is evident. The government believed that reducing such aid would promote the development of more traditional patterns of volunteer community support and a greater degree of self-help in that the economic pressures resulting from the cuts would force the unemployed to look harder for work or accept jobs which they may have rejected in the past. In this way, the parasitical are transformed into the productive, a cheap pool of labour is generated, and the financial burden upon the state is relieved. The values of social conservatism are also promoted, since the position of the church
and family is reinvigorated, because of their increased role in
the provision of charity. The new position of women is challenged
as greater demands are placed upon them to provide the 'family'
services no longer offered by the state. Chris McNiven placed the
perceived advantages of a neo-conservative shift in social policy
to the Social Credit government in these terms:

Not only are expensive public sector services
replaced with services that are 'free', since the
cost is born by the consumers themselves or by
relatives and volunteers, really women who will no
longer be needed presumably in a re-organized
labor force, but it also relieves the government
from the burden of having to treat or prevent a
host of chronic social problems. The family, the
local community or the private sector rather than
the government can be blamed for failing to cure
child abuse or juvenile delinquency.(134)

One area designated for 'restraint' was the Guaranteed
Available Income for Need (GAIN) program. GAIN, which is housed
under the Ministry of Human Resources, is a program of income
assistance designed for the relief of poverty, neglect and
suffering of those provincial residents in need, regardless of the
state of the economy. Since its existence from 1976 to 1982, the
financial benefits awarded by GAIN were increased at regular
intervals to reflect the impact of inflation.(135)

The 1983 Budget broke with this policy and opted to "maintain
welfare rates at their current level." The actual expenditure on
income assistance increased 13.9 per cent over the preceding year
because of the increased numbers of unemployed and those in need
of provincial income assistance.(136) By capping the amounts paid
out to 1982 levels, the government was able to significantly
restrain further increases to the GAIN program. While 1983 represented the beginning of the "restraint" of income assistance, the 1984 B.C. Budget contained sweeping cuts to financial assistance to the poor. The cuts in levels of income assistance were directed at single mothers under 25, young single employables, as well as older recipients considered able to work. The cuts ranged from $25 to $80 a month and would save the government some $31 million over the 1983 GAIN budget. (137) However, the most significant cuts in GAIN assistance have resulted, not from direct cuts, but rather from the government's failure to adjust GAIN upwards to meet inflation rates. (138)

Bill 4, the Income Tax Amendment Act, negatively affected the working poor because not only did it eliminate the B.C. Renters' Tax Credit but it also canceled the B.C. Personal Income Tax Credit. The personal tax credit "had paid maximum credits of $95 and $178 per single filers with less than $6,300 and married filers with less than $11,900 of taxable income." (139) These tax changes reflect the regressive character of Social Credit tax policy in the era of restraint.

The economic impact of the economic crisis, coupled with the deterioration in the income support system of the provincial government, gave rise to private social support networks. The foodbanks are the most notable manifestations of this development, reminiscent of the soup lines of the 1930s. As of 1985, some 70 foodbanks existed across the country, with 30 of these located in British Columbia. The Vancouver foodbank began operation in
late 1982 as a source of temporary food aid. In July 1983 it was responsible for distributing 4,223 bags of food; by July 1984 this increased to 8,010 bags and this figure jumped to 13,406 bags by October 1985. An estimated 75 to 84 per cent of the recipients of the food aid are on welfare, which strongly indicates that welfare payments in the province are grossly inadequate to meet the basic needs of provincial residents. (140) However, the B.C. Minister of Human Resources, Grace McCarthy, did not view the rise of food banks as an indication of inadequate provincial aid to the poor. Her only response was that she was "thankful for the food banks." (141)

The cutting of income assistance was not the only service eliminated by the government. The July 1983 Budget was accompanied by the termination of 599 full-time positions in the Ministry of Human Resources. About 90 per cent of the affected workers dealt with children, including:

- child care counsellors who assisted children with emotional and social problems in school,
- youth workers who worked primarily in downtown Vancouver with runaways and prostitutes,
- family support workers who provided counselling and direct assistance to families and children in crisis,
- the child abuse team which provided consultation to field staff involved in complex cases (frequently regarding sexual abuse), and
- the 165 staff of more than twenty Lower Mainland group homes and treatment centres for children unsuitable for foster care. (142)

In addition to the cuts in the government's own welfare support programs, it also made major slashes to state grants for programs operated by non-profit societies. For instance, in July 1983 the
Community Involvement Program (CIP), the Family Support Worker Program and the Mental Retardation Co-ordinator positions were all cut. The elimination of the CIP was viewed as particularly mean-spirited. Under CIP, the government provided $50 a month to handicapped and unemployables in exchange for 20 hours of volunteer work on their part. In the 1981/82 fiscal year, this benefitted some 2,500 people at a cost of $1.4 million, of which the province paid only half under a federal shared cost program. (143)

With respect to social welfare, the attitude of the Social Credit administration was voiced quite clearly in a 1983 provincial government document.

The Minister of Human Resources looks to churches to assume the role which was their Christian role over history and that is to care for those who are in distress rather than to become advocacy groups to push governments at all levels to greater expenditures.

The Minister believes that the community has also a very great responsibility and should be shouldering that responsibility. (144)

Services affecting the Ministry of Human Resources were not the only ones subject to restraint. Legal aid was one other target for cuts. The government trimmed the Legal Service Society's budget from $15.7 million to $13.4 million. (145) The society provides legal services to those who are unable to pay. The cuts meant that legal services were not being provided to many women seeking legal recourse in order to gain family support from fathers, as well as a denial of legal council for legal cases involving immigration, welfare and unemployment insurance. (146)
Ian Sisett, president of the B.C. Trial Lawyers Association, charged that the government, by denying B.C. residents the right to counsel, was establishing a system of justice which was only for the rich. (147) A federal government study on legal aid in B.C. argued that the provincial government was failing in its duty to provide sufficient funding to allow the Legal Services Society to fulfill its mandate. Minimum legal aid standards were not being met in the province. (148)

The B.C. Ministry of Consumer and Corporate Affairs also was subject to reductions which were aimed at front line consumer mediation officers who handled some 120,000 inquiries and opened some 6,000 complaint files in 1982. The ministry retained a small investigative staff but it dealt only with actual violations of consumer legislation. Moreover, the ministry cut its funding to public interest groups like the Consumers' Association of Canada who received $46,300 from the province in 1982. (149) Bill 8, the Alcohol and Drug Commission Repeal Act, passed into law in October of 1983, dissolved the Alcohol and Drug Commission which served as a research and educational rehabilitative agency for afflicted British Columbians.

The areas of education and health have also been subject to the long-term pressures of financial restraint. In education, the Socred government has, through financial control, increased the student-teacher ratio in the public school system, forced sharp increases in post-secondary tuition fees, and, by cutting state grants, placed B.C. universities into a "fiscal crisis". (150)
Minister responsible for higher education, Pat McGeer, openly criticized Canadian universities for becoming too dependent upon government for funding and argued that they should, like many American universities, look to the private sector for funding. (151) The B.C. health care system, despite government assurances to the contrary, has been marked by funding problems which have resulted in bed shortages, under-staffing and increasing costs to health care consumers. (152)

The Bennett administration in 1983 also moved to privatize numerous government businesses and services. Generally speaking, privatization refers to divesting the government of commercial and quasi-commercial activities and assets, and the privatizing of state provided services. The stated rationale for privatization is fairly straightforward. The fundamental assumption of neo-conservatism is that the best way to supply most goods and services to society is through the operation of private enterprise within the 'free market'. The state is inherently less effective at delivering these services and goods cheaply and efficiently because there exists no rational mechanism within government, as there is in the market, for their 'economical' provision. The bureaucratic tendencies within government stifle individual initiative, while the state is also pressured by the political force levied by voters and 'special interest' groups; these factors result in economic misallocations. By privatizing large chunks of the public sector, the government monopoly in the provision of certain goods and services will be broken and
competition will be nurtured. Market forces will then be set free and allowed to generate the benefits of efficiency, responsiveness to consumer needs and economic growth.(153)

Given this logic, it becomes essential to deregulate the public sector and open it up to competitive forces. In the case of social services, this means contracting out some of the activities now carried on directly by government via competitive tenders which private firms and voluntary agencies can bid for. In short, this means transforming the state. It will no longer be the direct provider of costly services for the public, but will become the purchasing agent for its public consumers of competitively priced services from the private sector. Neo-conservatives tend to view government very much in business terms. They operate under the following premises: First, privatization means less government and lower expenditures and, second, that if the private sector can make a profit from the provision of goods and services, then government should not be in the business of providing them. The 1983 B.C. Budget is clearly in agreement with this philosophy. Ski facilities, a bus line, a magazine, institutional farms, the services of court reporters and services connected to the rehabilitation of juvenile offenders were all targeted for transfer to the private sector.(154)

Additionally, Bill 23, the Motor Vehicle Amendment Act, passed into law in October of 1983, eliminated the mandatory inspection of motor vehicles and consequently closed the government's testing branches. This opened the way for the government to sell its
inspection services to private garages. The government suggested that this move would save it between $3 and $4 million. However, a report conducted for the Insurance Corporation of B.C. maintained that the abolition of mandatory motor vehicle testing would result in four more traffic deaths and an additional 237 injuries per year. (155)

The actual savings resulting from the cuts to social services were quite small. Grace McCarthy pegged it at $16 million, with changes to the human rights legislation saving only $1 million. (156) Ian Mulgrew of The Globe and Mail set the savings in context:

Premier William Bennett claims all the changes in the 26 bills were cost-cutting measures, but an examination shows many of the changes will save little, and others will save nothing. Moreover, the targets of the legislation are invariably the people who are already shouldering the burden of the recession, or minorities. (157)

The 1983 Budget increased provincial government spending by 12.3 per cent thus, in a strict fiscal sense, it did not constitute a 'restraint' document. Significantly, however, the 1983 budget began the process whereby the share of state spending allotted for social spending declined. (158) This is consistent with the neo-conservative goal of shifting government spending away from social spending, away from the role of legitimation, and to allow the market, the family, and the voluntary sector to fill this welfare role.
Centralizing State Power

The drive to strengthen the powers of the central state, or as in the case of B.C. the provincial state, has been an important component of neo-conservatism in office. Neo-conservatives endorse the strong state and believe that if the direction of public policy is to be reoriented and reform liberalism and social democracy checked, then authority must be vested in a centralized political executive. The effective implementation of a neo-conservative policy agenda requires that localized sources of power and decision-making be overridden by central authority. A free and strong hand is needed for 'radically' altering the state's priorities.

Several pieces of legislation were passed in 1983 by the B.C. government which were directed at strengthening the hand of the provincial cabinet. The Education (Interim) Finance Amendment Act (Bill 6) denied local school boards the power to levy taxes on non-residential properties and it gave the Minister of Education control over the budgets and expenditures of public school boards. The Institute of Technology Amendment Act (Bill 19) gave the minister control over all courses and programs at the British Columbia Institute of Technology (BCIT). Moreover, Bill 19 reorganized the appointment of the Board of Governors and rewrote the constitution which guided the board, allowing the government firmer control over BCIT. And Bill 20, the College and Institute Amendment Act, did much the same for the province's extensive
Community College system as Bill 19 did for BCIT. It centralized control in the hands of the Ministry of Education over college budgets, courses and boards. Local representation on college boards was also eliminated. With respect to education, the provincial government wrested control from local authorities and centralized it into the Cabinet's hands so that it could carry forth its plans to 'restrain' the educational sector and reshape its programs to emphasize a 'high tech' future. It remains in question how seriously the Social Credit government has pursued this goal, at least up until the late 1980s.

Regional planning also became subject to central control. Bill 9, the Municipal Amendment Act, abolished all regional plans, removing the right of regional districts to set comprehensive plans for their region as a whole. Bill 9 was also known as the "Spetifore amendment", named after a dispute involving proposals to rezone the Spetifore farmlands in Delta from rural to urban. When the Greater Vancouver Regional District (GVRD) turned down the request, Social Credit MLA Walter Davidson charged that it constituted a "socialist-communist conspiracy". The Cabinet finally overruled the GVRD's decision. The government wanted to make it easier for business to pursue development goals without the hindrance of regional planning authorities.
Conclusion

With the 1983 B.C. Budget, the Social Credit government launched the province on a bold new public policy course, one which would continue to find expression in the subsequent administration of William Vander Zalm. While 'restraint' was a theme and object of public policy before July 1983, its nature was dramatically altered with the 1983 Budget. Prior to 1983, the B.C. brand of restraint was the milder, incremental variety. Beginning in 1983, 'restraint' took on a qualitatively different character. Severe retrenchment, associated with neo-conservatism, as opposed to incremental restraining measures upon the state, were adopted.

The reasons for the adoption of a neo-conservative policy agenda by the Social Credit government seem based on a number of considerations. First, B.C., as a staples based society, was severely affected by the economic crisis and the shifts in the economic power balance resulting from the reordering of the international economy. This created immediate and longer term fiscal difficulties for the B.C. state. It also forced consideration of a new economic strategy for B.C., one which would situate the province in a more advantageous position in the rising Pacific Rim trade network. Second, the Social Credit Party, given its petty bourgeois origins, had always harboured suspicions about many aspects of the welfare state. The 1983 election finally gave Bill Bennett and the hard line Social Crediters firm control over the party. They were no longer beholden to the Liberals and
Conservatives who had formed a coalition with Social Credit to defeat the NDP in 1975. The right wing of the Social Credit Party was consequently placed in a strong position to have its policy perspectives adopted. Third, the radical restraint agenda was not pursued earlier because of electoral considerations. Bennett knew that his measures would be unpopular, at least in the short term; consequently he waited till he had a fresh mandate to pursue his new course. Additionally, the government could use its restraint policies to attack, weaken and disorganize its political opposition before the next electoral contest. The imposition of the 1983 restraint revolution can be viewed as a response to domestic political considerations, but the ability to pursue such a radical political avenue was possible only because of the economic, social and political disruption generated by an altered political economy. (162)

The economic 'crisis', as in the 1930s, opened the way for the B.C. state to play a leadership role in public policy formation. In the 30s, Premier Pattullo broke new ground in Canada for a fundamental reform of capitalism, i.e. the development of the welfare state. Likewise, but this time from a right wing vantage point, Bennett, with his 1983 Budget, set out to lead Canada along a neo-conservative path. However, the outcome of the struggle to determine the future policy direction of the nation remains in question.

The end to rapid economic growth challenged not only Keynesian economic policies but also the consensus model of politics which
was derived from it. The Socreds came to view the 'over extended state' and the vast net of social policies and regulatory webs associated with it, as a barrier to a new industrial strategy. Survival in the 'new economic reality' required that the market be freed, the productive members of society be promoted over the parasitical, and the collectivist components of the state be checked so that greater individualism and competition could be nurtured. Evidence for this stance, as explored earlier in this chapter, can be gleaned from Bennett's justifications for changes to B.C. human rights legislation, and in his assertion that real jobs were created only in the private sector. Redrawing the public policy agenda, however, meant attacking the rights of the 'special interests'. The social contract between the state, labour and capital was broken and effort was exerted to redraw it in a manner more favourable to propertied interests. This required a political attack which utilized the state's coercive force in a way that had not normally been necessary in the recent past. In order to implement a new neo-conservative accumulation strategy, a radical policy path, and the inevitable social and political conflict resulting from this approach, were unavoidable. The state's role of aiding in private capital accumulation came to be awarded greater priority over its legitimation function via social welfare promotion.

The government argued that the way to recovery was through restraint. As it asserted:
... economic recovery can only come about by vigilant government restraint on a long-term basis and the creation of a climate and taxation system which will attract private sector investment and development — the keys to a brighter and more prosperous British Columbia for us all.(163)

However, what passes for 'restraint' can easily be transformed into repression, as Mel Watkins notes:

There's a fine line between restraint and repression — indeed, repression is inherent in restraint — and it's a line right-wing governments love to cross. Wage restraint becomes explicit union-bashing. Restraints on government spending become the excuse for dismantling protection for human rights. We've seen a Canadian-content preview already in British Columbia.(164)

B.C. neo-conservative 'restraint' has reduced human, renters', and women's rights; it has challenged free collective bargaining in the public sector in a drive to deregulate the workplace; it has withdrawn many of the services previously provided by the state; and it has moved to centralize more power in the hands of the provincial Cabinet.

In aid to private enterprise, not only have the Socreds used state policy in an effort to clear the market of obstacles (state regulations and union power) but, in the spirit of the staples state tradition, they have also directly supported capital through extensive infrastructural development and state supported mega projects (Coquihalla Highway, North East Coal, Expo). If there is one distinguishing feature of neo-conservatism in a peripheral economy like B.C.'s, in contrast to neo-conservatism as it has
appeared in metropolitan states, it is the more active use of the state in such business ventures.

What distinguishes 1983 as the beginning of a neo-conservative revolution in B.C. is not any one of the policy directives or statutes introduced by the government; it is all of the measures taken as a package. The sheer sweep and comprehensiveness of the 1983 restraint Budget marked a clear qualitative departure from past public policy directions. While some continuity with past policies may be observed in the 1983 measures, the forcefulness of the policies, and the manner in which the measures were interconnected and sold to the public through a neo-conservative rationale, sets them apart. Stuart Hall provides a useful framework from which to view this process. As he observes:

... often ideological shifts take place, not by substituting one, whole, new conception of the world for another, but by presenting a novel combination of old and new elements — 'a process of distinction and of change in the relative weight possessed by the elements of the old ideology.' (165)

Neo-conservatism in B.C. does not yet constitute a hegemonic force, since the opposition to its implementation is still considerable. The fate of this political project is far from clear. But since 1983, a neo-conservative policy agenda has been the dominant force in the province.
Notes

1. The Honourable Mr. Bennett, British Columbia Hansard, Vol. 3, No. 12, September 1, 1983, p. 1188


4. Maslove, et. al., op. cit., p. 206

5. Wolfe, op. cit., p. 126

6. Maslove, et. al., op. cit., p. 206

7. Wolfe, op. cit., p. 113

8. Maslove, et. al., op. cit., p. 207


11. Maslove, et. al., op. cit., p. 208


14. Ibid., p. 7

15. The Honourable Hugh Curtis, Minister of Finance, British Columbia Budget, 1982 (Victoria: Queen's Printer, 1982) p. 6

16. Ibid., p. 3
17. Ibid., p. 8


19. B.C. Budget, 1982, p. 1

20. Ibid., pp. 8-9

21. Ibid., p. 9

22. Leo Panitch and Donald Swartz, From Consent to Coercion: The Trade Union Freedoms (Toronto: Garamond Press, 1985) pp. 47-48

23. Tom Barrett, "Pay curbs to affect one in six", The Vancouver Sun, February 20, 1982, p. A1


25. Ibid., p. 33


27. "Bennett's restraint plan sparks talk of election", The Vancouver Sun, February 19, 1982, p. A2


32. Peter Comparelli, "Voters spellbound by r-e-s-t-r-a-i-n-t", The Vancouver Sun, May 6, 1983, p. A 1

33. Ibid., p. A1

34. Jim Lyon, "Barrett's wage stand heats up election", The Financial Post, April 30, 1983, p. 6
35. Editorial, "And now to work", The Vancouver Sun, May 6, 1983, p. A4


37. Michael Bocking, "Labor leader stunned but 'won't be pushed around'", The Vancouver Sun, May 6, 1983, p. B5

38. Kinsella, op. cit., p. 12

39. As reported in Walter Block, "Election campaign may not be time to sell tough policy", The Financial Post, May 19, 1984, p. 8

40. For a journalistic account of these events see: Allen Garr, Tough Guy: Bill Bennett and the Taking of British Columbia (Toronto: Key Porter Books Limited, 1985) pp. 89-98

41. See Brian Kieran, "Deluge of legislation creates bedlam in house", The Vancouver Sun, July 8, 1983, p. A2

42. Michael Walker, "The Budget", The Vancouver Province, July 12, 1983


44. The Honourable Hugh Curtis, Minister of Finance, British Columbia Budget, 1983 (Victoria: Queen's Printer, 1983) p. 7

45. Ibid., p. 26

46. Ibid., p. 8

47. Ibid., p. 64-5

48. Ibid., p. 65

49. Ibid., p. 10


51. Gord McIntosh, "'Little revolution' augurs well for future, says right-wing guru", The Vancouver Sun, December 31, 1983, p. C7

52. Province of British Columbia, "1983 British Columbia Budget"
53. B.C. Budget, 1982, p. 10


55. Ken Bell, "Little cheer in Curtis' B.C. budget", The Vancouver Province, February 21, 1984, p. 17

56. Bill Bennett interview by Maclean's, "'There is no easy way to lay off people'". Maclean's, October 17, 1983, p. 26

57. The Honourable Hugh Curtis, Minister of Finance, The Economy in a Changing World (Victoria, Queen's Printer, March 1985) p. 12; see also: The Honourable Hugh Curtis, Minister of Finance, British Columbia Budget, 1985 (Victoria, Queen's Printer, 1985) pp. 2-4


60. Bennett, "'There is no easy way to lay off people'". p. 27. On the Chargex card analogy see also The Honourable Mr. Bennett, B.C. Hansard, Vol. 3, No. 12, September 1, 1983, p. 1188.

61. Peter Comparelli and Tom Barrett, "Bennett: It could be worse", The Vancouver Sun, July 7, 1984, p. A1

62. B.C. Budget, 1982, p. 2


64. As quoted in "Dr. Pat McGeer: Deja Vu", B.C. Business, Vol. 10, No. 3, March/April 1982, p.10. With respect to the goals of diversifying the B.C. economy and orienting it towards the Pacific Rim, see the comments made by Premier Bennett in John


68. On the questions of the need for government decisiveness and conflict in implementing a 'restraint' program, a neo-conservative instruction manual was produced and utilized by the Manitoba Sterling Lyon government, and it was available to policy makers in B.C. The author of the document, David A. Young, emphasized that conflict between the government and the bureaucracy and other "special interest" was inevitable, and that it was important for the government not to back down and to prepare the public for this extended confrontation. Young further maintained that for the government to successfully implement its program as a prerequisite it needed to act "boldly". "The party wishing to regain control must be prepared to apply a great deal of energy to the struggle, must be prepared to suffer some loss of popularity, at least in the short run ...".*

Michael Walker echoed this assessment. He challenged the notion that the B.C. Social Credit government acted with too much force and with too much hast. Walker suggested that less dramatic cuts in the civil service would not have resulted in less resistance from the union movement. His observations are worth quoting at length.

302
In assessing the reaction ... it is necessary to remember that the core of the legislative package, namely the public service reductions, is challenging the most powerful special-interest group in the country. The challenge might have been expected to induce a reaction in proportion to the strength of the interest threatened. Public-sector unions cannot afford this program to become a precedent for other governments and could, under any circumstances, be expected to fight it as though their own jobs were threatened --- as indeed they are.

Rather than being an indication that the B.C. government's program is too harsh, or too comprehensive, or too precipitous, the reaction should be seen as an index of the magnitude of the special-interest problem.

The financial and other resources which are being brought to bear in the rallies and demonstrations against the budget are evidence of why the reductions must be undertaken. And, they are the single most persuasive argument why the government ought not to capitulate in its pursuit of the policy.**


**. Michael Walker, "Mistake to capitulate to special-interest pressure", The Financial Post, September 3, 1983, p. 8

69. B.C. Budget, 1983, p. 4

70. Sandra Christensen, Unions and the Public Interest: Collective Bargaining in the Government Sector (Vancouver: The Fraser Institute, 1980) pp. 19, 21. Herbert Grubel of the Fraser Institute, blamed the high wage rate in British Columbia for the province's difficulties with unemployment and exports. He also argued that forest products from other provinces were able to out compete B.C. forest products because of the wage differential. See: Herbert Grubel, "Share the wealth --- and the risk", The Vancouver Sun, December 11, 1984, p. A5.

71. B.C. Budget, 1983, p. 6

72. David Young, op. cit., p. 18

73. B.C. Budget, 1983, p. 4
74. David Young, op. cit., 18

75. William Bennett's perspective on this issue can be found in Jane O'Hara, "British Columbia Boils Over", Maclean's, October 17, 1983, p. 27.

76. David Young, op. cit., p. 4

77. McIntosh, "'Little revolution' augurs well", op. cit., p. C7; and Michael Walker and A.R. Dobell, "The Philosophical, Ethical and Professional/Administrative Aspects of Public Sector Cuts", notes from meeting of the Institute of Public Administration of Canada, Vancouver Regional Group, Vancouver, January 18, 1984


79. See for instance Stan Persky and Lanny Beckman, "Downsizing the Unemployment Problem" in Warren Magnusson, William K. Carroll, Charles Doyle, Monika Langer and R.B.J. Walker (eds.), The New Reality: The Politics of Restraint in British Columbia (Vancouver: New Star Books, 1984) p. 196. Persky and Beckman speak of the Social Credit policies with respect to public sector employment as being a disemployment campaign. The government's announced intention to reduce the civil service by one quarter is worth taking note of as well. The figure of 25 per cent is significant because it corresponds to the number David Young proposed, who argued that such a reduction would result in minimal reduction in services (based upon his contention of bureaucratic over-staffing) and would be large enough to send a clear message to the bureaucracy, serving to check their power.* Other proposals by Young, for instance, the rejection of the use of attrition or seniority in carrying out the cuts would find their way into the Socreds' Bill 3.

* David Young, op. cit., pp. 19, 29.

80. B.C. Budget 1983, p. 14

81. Sid Tafler, "Bennett plans crackdown", Maclean's, July 4, 1983, p. 15

82. Walker, "The Budget", op. cit., p. B3


84. Mark Thompson, "Restraint and Labour Relations: The Case of British Columbia", Canadian Public Policy, Vol. XI, No. 2,
Young argued that attrition would not reduce the size of the civil service to any significant degree. Retirements usually mean about a 2 per cent cut in personnel per year and, while resignations generally make up a larger total, there were difficulties in relying upon this method of downsizing. It is usually the best and most efficient personnel who leave through resignation; thus, if they are not replaced, this can damage government operations. Young concludes that downsizing by attrition will only result in the accumulation of "dead wood" personnel. Furthermore, the process is too slow and politicians generally give up on the efforts to cut the civil service before any effective dent has been made.

Using seniority is also an undesirable method on which to base downsizing. According to Young, it:

... results in a loss of new staff, junior staff and young personnel. These are often effective members of the bureaucracy. It results in the retention of old staff, aging staff, and persons who have remained with the organization by virtue of their inability to find employment elsewhere. This method of staff reduction is likely to be even more damaging to the quality of the bureaucracy than the attrition method and should not, under any circumstances, be used.*

Premier Bennett seemed to endorse many of the points raised by Young. Bennett claimed that many of those public servants who were to be fired were not doing their jobs. As he commented:

What do I say to the taxpayers if I pay people with their money or money they don't have ... for functions that weren't being performed. For everyone that works (in the public service) they have to be paid for by someone who works in the private sector. It (new legislation ending public service tenure) allows us to be able to manage on behalf of taxpayers as best we can under the same terms and conditions as happens in the private sector. ...

The forest worker that is unemployed ... he doesn't understand tenure. It's one of those things that is very straightforward and is being done in order to try and help us get through these very difficult times.**

*. David Young, op. cit., pp. 39-41
**. As quoted in Brian Kleran and Tom Barrett, "Bennett flays public service", The Vancouver Sun, July 9, 1983, p. A1

Additionally, Young noted that along with staff reductions, an equivalent reduction in office equipment and space should follow. Otherwise, the bureaucracy will falsely believe that at some point in the future its former size will be restored.*

Significantly, the B.C. government did move swiftly to sell off its redundant office space (a ten per cent reduction) and vehicle fleets (a 20 per cent reduction between 1983-84)** in order to emphasize that the cuts were to be permanent.

*. David Young, op. cit., p. 43
**. B.C. Budget 1983, p. 13

86. For example, the International Labour Organization(ILO) ruled that Bill 3 stood in violation of an international agreement which Canada had signed in 1948 which guaranteed workers the right to free collective bargaining. A report issued by the ILO charged that the job security of union members was placed in doubt because the bill gave the government such wide powers to fire employees. More specifically it stated that: "The circumstances justifying dismissal ... are so widely defined that the mere enforcement of the act before the courts would not appear to offer substantial protection against discrimination in employment.*


89. Susan Balcom and Jenny Lee, "1,000 teaching jobs on line", The Vancouver Sun, March 18, 1985, p. A1

90. Vaughn Palmer, "A restraint message for the East", The Vancouver Sun, September 15, 1984, p. A4

91. See Thompson, op. cit., p. 174; Garr, Tough Guy, p. 103; and Cameron, op. cit.

92. Norman Ruff, "Social Credit as Employer" in Magnusson, et. al., op. cit., pp. 159-160
93. B.C. Budget 1983, p. 13

94. Cameron, op. cit.

The question of the "ability to pay" under the Compensation Stabilization Program has been described by its labour critics as a "carrot and stick" approach to wage bargaining. The CSP regulations never were forceably applied because the parties have come to agreements before any imposition of them was necessary. But as Jack Gerow, head of the Hospital Employees Union has observed, for unions there is little choice; either they accept the paltry offerings of the employer or receive nothing at all under the regulations.* With regard to the government's "ability to pay", Larry Kuehn of the Teachers Federation noted:

The ability to pay argument is basically turning over to the employer the decision based on what they're willing to pay. They can make a decision to spend the money they have on something else, saying "We aren't going to allocate that money on salaries".**

CSP Commissioner Ed Peck ruled that employers covered by the guidelines could not be said to have identities separate from that of the government and therefore ability to pay had to be considered in the context of "the ability of the public sector as a whole to pay." With regard to this interpretation, Peck concluded:

To focus on the taxation power of the government in determining the resources available to provide wage increases ignores the government's right to make political judgements, which are redressable at the ballot box, concerning the level of services it will fund and maintain.***

* Doug Ward, "Wage control program", The Vancouver Sun, February 18, 1985, p. B8
** As quoted in Chris Rose, "Unions blast ability to pay amendment", The Vancouver Sun, March 16, 1984, p. D8
*** As quoted in Ibid., p. D8


96. Thompson, op. cit., p. 174

97. Patrick Smith and Laurent Dobuzinskis have emphasized the Orwellian usage of language on the part of the Social Credit
government. In what they describe as "Socred-Speak", language is used to emphasize the genius of the market over wasteful state bureaucracies.* Terminology such as "restraint", "ability to pay", "productivity", "sharing the burdens of restraint", "the new economic reality", "Bad British Columbians" is stressed by the government in an attempt to shape the discourse of politics in the province.


98. Cameron, op. cit.


100. Ibid., p. 138


102. As quoted in Ibid., p. A10

103. As quoted in "'There is no easy way to lay off people'", op. cit., pp. 26-27


105. See for example William K. Carroll, "The Solidarity Coalition" in Magnusson et. al., op. cit., p. 95

106. Murray Rankin, "Human Rights Under Restraint" in Magnusson et. al., op. cit., p. 165


108. Vaughn Palmer, "Brian Smith an implacable foe of mushy liberalism", The Vancouver Sun, November 30, 1984, p. A4

110. Rankin, op. cit., p. 166

111. As quoted in "Human rights voices hushed", p. B4


114. Rankin, op. cit., p. 172


116. Rankin, op. cit., p. 173


118. Rankin, op. cit., pp. 174, 176


120. As quoted in Solidarity Coalition Bulletin, No. 11, May 1, 1984, p. 7

121. As quoted in Rankin, op. cit., p. 170

122. Rankin, op. cit., p. 176

123. Cameron, op. cit.

124. Garr, Tough Guy, p. 96

125. See Cliff Stainsby and John Malcomson, "The Fraser Institute, the Government and a Corporate Free Lunch", Canadian Dimension, Vol. 18, No. 1, March 1984, p. 19; and Walter Block and Edgar Olsen (eds.) Rent Control: Myths and Realities (Vancouver: Fraser Institute, 1981).

126. As quoted in "'There is no easy way to lay off people'", p. 27


129. As quoted in "Tenant groups split on rights bill", The Globe and Mail, April 6, 1984, p. BCl

130. Ibid., p. BCI

131. "Residential Tenancy Act Bill 19", p. 4

132. John Malcolmson, "The Hidden Agenda of 'Restraint'" in Magnusson, et. al., op. cit., p. 84


138. Redish, "Is There A Social Policy?", p. 4


141. Peter Comparelli, "Don't feel guilty about poor, McCarthy
tells Sacred women", The Vancouver Sun, October 19, 1984, p. 1

142. Marilyn Callahan, "The Human Costs of "Restraint"" in Magnusson, et. al., op. cit., p. 227


144. As quoted in Redish, "Social Policy and 'Restraint' in B.C.", p. 156

The Social Credit government's position on the role of the church and the family with regard to the provision of welfare and social services closely parallels that of the Fraser Institute. See for example Stainsby and Malcolmson, "The Fraser Institute, the Government and a Corporate Free Lunch".


146. Brian Lewis, "Lawyers claim cutbacks will punish the taxpayer", The Vancouver Province, March 18, 1984, p. 19

147. "Lawyers protest legal aid cutbacks", The Vancouver Sun, July 8, 1983, p. B4

148. Miguel Moya, "Federal study raps legal aid funding", The Vancouver Sun, September 10, 1984, p. 1

149. Nicole Parton, "Behind the figures are workers' tears", The Vancouver Sun, July 8, 1983, p. A1


151. Carol Volkart, "University doors swing shut on B.C. students", The Vancouver Sun, December 17, 1983, p. A10

cit.


154. See B.C. Budget, 1982, pp. 15-16

155. Peter Comparelli, "Deaths linked to auto test abolition", The Vancouver Sun, February 8, 1984, p. A3

156. Vaughn Palmer, "Bennett's New Deal", The Vancouver Sun, August 30, 1983, p. A6


158. Blake and Elkins document just this trend in B.C. government spending. As they note:

The ... result was a reduction in the budget share for health, education and welfare from 68.5 per cent in 1982-83 to 68.2 per cent in 1983-84. That trend has continued with 65.1 per cent in 1984-85, 64.6 per cent in 1985-86, and a projected 64.2 per cent in 1986-87. Within the social policy sphere, education and health spending have lost ground to welfare spending, costs for which were driven up by the recession and continue to reflect the province's high unemployment rate (over 14 per cent).*

The Social Credit government has been able to check and significantly reverse the upward spiral of social spending.


159. See "Appendix A: The "Restraint" Package" in Magnusson et. al., op. cit., pp. 282-283

160. Ibid., p. 283

On this point Michael Walker offers an interesting insight. He, in a manner not dissimilar to Claus Offe*, argues that it was dramatic alterations in the international political economy which undermined the foundations for Keynesian politics. External economic forces were behind the Socreds' restraint program. As Walker noted:

... of course there is a hidden actor whose behaviour is essential to understand the government's program. The shadowy thespian is international economics. Had it not been for the tumultuous swings in the world economy, B.C. would probably not now be faced with such a bitter pill to swallow.

Politicians forming the present government are no different than those elsewhere. Under normal circumstances they avoid confrontation as indeed their past record shows. In practice that has meant liberal fiscal grease for squeaky wheels. It has also meant that, as public priorities changed, there was no great enthusiasm for facing down the supporters of the old programs — new programs were simply added to the list. The sharp drop in government revenues resulted from a decline in the foreign demand for B.C. exports signalled an end to pay-em-off politics. By necessity, the government has begun the process of restructuring programs to meet changed needs.

... [U]ltimately the invisible hand of international competition holds the pen drafting our legislative future.**


**. Michael Walker, "Hidden hand behind B.C. Policy", The Vancouver Province, November 13, 1983, p. 29
Chapter 6

The Solidarity Experience: Class and Social Struggles in Lotusland

Introduction

When the most conservative of groups is rebuffed time and time again [by the Social Credit government]. When all reasonable and rational attempts to solve a problem fail. Then even professionals are forced to withdraw their services. (Larry Ballard, President, Windermere District Teachers Association, Telex Message) (1)

Whenever the Government shows flexibility, Operation Solidarity goes ahead [with its threats]. ... Has it become a monster out of control?

Is that due process? Is that the way we're going to have this province run? ... That's a guerrilla democracy --- to blackmail legislators into changing the law by actions on the street. We've got an opposition, we have a ballot box. That's the way we make changes in this society, as I understand it. (James Matkin, President, Employers Council of British Columbia) (2)

These starkly contrasting images of B.C.'s political scene in late 1983 and their diametrically opposing interpretations of the source of the political troubles illustrate the gulf which had come to separate the population over the Socreds' 'restraint' program. The mood of frustration and anger displayed by disgruntled B.C. teachers over the government's refusal to moderate its sweeping 'restraint' program, even in the face of massive disapproval, expresses how deeply the 1983 Budget touched and activated even normally nonpolitical British Columbians,
whereas the government's supporters construed Solidarity as not only a disruptive force but as a potential threat to democratic government itself.

The Socreds' neo-conservative agenda shook the socio-economic fabric of the province. A dissident political consciousness began to awaken; however, this popular mobilization alarmed other sections of the population, pushing many into the government's political camp. By November 1983, B.C. was in a state of political crisis and society had become polarized to a degree unknown since the Great Depression.

This chapter sets out to examine the extra-parliamentary opposition to the 1983 B.C. restraint agenda. No attempt will be made here to trace in detail the chronological flow of events, since this has been done elsewhere. Rather, concern will be directed toward examining those events which have special relevance to gaining an understanding of the nature of the movement, at assessing its strengths and weaknesses, its successes and failures, and at locating Solidarity within the broader framework of the 'new political reality' ushered in by B.C. neo-conservatism and a changing political economy.

The Parliamentary Resistance to 'Restraint'

The B.C. Social Credit government's 1983 Budget 'revolution' generated a reaction of initial disbelief, tension and a measure of disorganization as the New Democratic Party, the media, trade
unions and community groups struggled to grasp what this new phase, restraint, meant for the province. Social Credit's intention to radically alter the balance between the public and private sectors, and dismantle rights, quite naturally aroused strong reactions. The NDP, as Her Majesty's Loyal Opposition, was the first to attack the government. It was a vocal critic of the restraint program, working actively to resist its implementation. However, its struggle against the legislation was waged strictly as a parliamentary battle. The NDP utilized every avenue and tactic in its legislative arsenal in an attempt to block, or at least delay for as long as possible, the passage of the most offensive statutes. One analyst described the party's role in this way:

What the NDP [had was] a caucus in Victoria which performed its official opposition tasks admirably. It delayed, denounced, filibustered and did all the other things necessary to function in the Talk Shop.(4)

The Social Credit government was, however, able to blunt the effectiveness of this opposition through its use (or misuse) of parliamentary procedures such as marathon sessions, closure and eventually the physical expulsion of the leader of the opposition. Donald Blake has observed that the province has a tradition of "primitive political practices"(5), but the July 1983 legislative session presented a special challenge to democratic parliamentary practice. The use of closure, for instance, has been an accepted part of the parliamentary process in most "mature parliamentary systems". But its use is generally restricted to a period after
which a bill has been extensively examined in the house. "What is questionable is the use of closure and of legislation by exhaustion before there has been a chance for extensive debate." And this was the case with the 1983 Budget legislative session. (6) Closure had not been used in B.C. since 1957, but it was invoked no less than 20 times by the government in an effort to push its 26 bills through the legislature. (7) Jeremy Wilson expresses the problem in this way:

At the root of the government's disdain for the parliamentary process was the decision to overload the legislature's agenda. It was not just legislation by exhaustion, it was legislation by inundation. This decision, and the subsidiary decision not to establish (either by negotiation or decrees) a reasonable time-table for full and careful debate, guaranteed that the government's package would not receive the careful consideration its significance demanded. (8)

The Social Credit government, by its heavy-handed dealings with the rights of the legislative opposition, demonstrated a lack of respect for the spirit, if not the substance, of parliamentary democracy.

It became clear that effective opposition to the government measures would have to take on a more direct character. However, expressions of direct 'popular power' run counter to parliamentary democracy.

The essence of parliamentarism is that it provides a buffer between government and people. It accords to the people the right to elect their representatives and to engage in many forms of political activity; but it also bids the people to let their representatives bear the burden of sustaining or opposing the government of the day. (9)
One of the distinguishing features of social democratic parties has been their almost dogmatic respect for the parliamentary system. The NDP has been no exception to this rule; during the 1983 crisis in B.C., the party's commitment to parliamentarism precluded its involvement in any other type of protest. One critic described the NDP, shut off from the legislature as "utterly incapable of movement activity." As the force of opposition increasingly shifted from the legislature to the streets, the NDP became ever more silent and irrelevant. While the NDP leadership understood the frustrations of the affected groups, it was frightened by the prospect of mass political action; it believed general strikes were dangerous and the only real way to defeat the government's program was at the ballot box, not in the streets. NDP leader Bob Skelly in 1984 warned the unions against the use of the political strike: "We have to be careful not to rise to the bait and realize that sometimes some forms of protest are more appropriate than others." The NDP feared their image, due to their associations with organized labour, would be electorally tarnished by this type of protest.

In mid-October of 1983 Premier Bennett delivered his so-called "Olive Branch" speech in which he adjourned the legislature and delayed further passage of his controversial measures in order to provide a "cooling off period". Given the NDP's reluctance to enter the extra-parliamentary arena, this resulted in the exodus of the party from its oppositional role; it marked the passing of the resistance banner into the hands of the Solidarity movement.
Solidarity was much more willing to utilize non-legislative means to battle the government. However, Solidarity's union leadership did not criticize the NDP for its lack of active support. As this element of Solidarity viewed it, there existed a division of labour; the NDP had its job to do within the legislature, and politically could not afford to involve itself in street demonstrations, while the unions and community groups enjoyed a freer hand to engage in more direct mass actions. In fact, Operation Solidarity credited the NDP with having played the vital role of delaying the legislation, thereby giving the extra-parliamentary opposition time to organize effective resistance in the streets.

The 1983 B.C. Budget battle demonstrated the limits of strictly parliamentary-based strategies in resisting neo-conservatism. In more affluent times, guided by the logic of a positive sum politics, the NDP and its parliamentary road to power became the natural home or locus of progressive politics. In the 1980s, with the welfare state and the rights of trade unions under concerted attack and state finances constrained, strategies for the defence of past gains have become a matter of both urgency and debate. The NDP has been unable to effectively adjust to the confrontational politics of B.C. neo-conservatism. The development of extra-parliamentary responses to the erosion of collective rights has been a natural, if an underdeveloped, response to the new era of politics ushered in by the zero sum society and neo-conservatism.
Defensive Defiance: The Formation and Mobilization of Solidarity

The non-institutionalized form of opposition took the shape of "the broadest social movement in the province's history."(17) B.C. provided fertile ground for the nurturing of a "labour-community united front". Historically, the union movement in B.C. had a tradition of militancy and political activism, providing "a large, disciplined, committed core around which a variety of community groups could coalesce."(18) This alliance, however, was not simply a logical outgrowth of labour's rich historical tradition; rather it represented something quite novel, a new direction in the struggle for progressive change in British Columbia.

The Solidarity movement was a substantial extra-parliamentary opposition force to the government. Its membership constituted a wide-ranging alliance which included organized labour from both the public and private sectors, various professional associations, organizations of the unemployed, religious, legal, human and tenants rights activists, poor people's and women's organizations and environmental groups. Structures designed to galvanize resistance to the Socred assault were initiated within days of the tabling of the offensive legislation.

The Lower Mainland Budget Coalition (LMBC) was the first organization to arise in reaction to the government's moves. It was the creation of the Vancouver and District Labour Council's Unemployment Action Centre and representatives from over fifty community groups and unions in the city.(19) Labour leaders like Fisherman's Union secretary-treasurer George Hewison and Jeff
Kelghly of the Canadian Association of Industrial, Mechanical and Allied Workers, along with the Communist Party, were important forces in getting the organization off the ground. But while the Communists played a key role in the LMBC, they did not dominate the organization. The Budget had angered a broad spectrum of the population and, as word spread about the LMBC meetings at the Fisherman's Hall in downtown Vancouver, hundreds of community activists and union militants began to flood the hall. The beginning of the mass-based protest movement had begun to take shape.

The LMBC adopted 'An injury to one is an injury to all!' as their operating principle. And it stipulated that the coalition be:

- open to all organizations committed to the goals of defeating the Social Credit government's budget and legislative program and to the development of a more equitable society in British Columbia through the defense and enhancement of our economic, democratic and human rights.

The Budget Coalition, in an effort to channel the initial displays of militancy and provide a broader forum for protest, organized, on short notice, a July 23rd rally. Given the limited time frame for organizing and publicizing the event, the issue of attendance was a concern. A small turnout, some feared, might serve as a blow for the extra-parliamentary resistance, bolstering the government's cause. However, the success of the rally surpassed even the optimists' highest expectations. An estimated 25,000 protesters expressed their opposition to the government in the
shadow of Bennett's newest monument to sacred power, B.C. Place Stadium. This event gave an early indication of the extent of public dissatisfaction.

A number of groups affiliated with the LMBC arose as a direct reaction to the Budget. The most prominent of these was Women Against the Budget (WAB), a grouping of 'radical' feminists who staged numerous creative protests against the government. The 'Stone Soup Luncheon with Gracie' held in front of the home of Human Resources Minister Grace McCarthy to protest cutbacks to women and the poor was one such action. However, this group was often viewed negatively by the British Columbia union leadership, a sign of the difficulties inherent in amalgamating so many interests, difficulties that would be clearly revealed following the 'Kelowna accord'.

Organized resistance was also being marshalled within the B.C. Federation of Labour (BCFL). Federation president Art Kube announced that the BCFL's public sector committee would begin a campaign by holding a conference on July 15th to which both Federation-affiliated and non-affiliated unions were invited. Numerically large and important elements of public sector unions were outside the Federation's umbrella; these included the 30,000 members of the B.C. Teachers' Federation, 24,000 Hospital Employees' Union members, and 17,000 members of the B.C. Nurses' Union. The intent of the conference was to initiate a coalition of public sector unions and to set forth a "program of action in defence of its membership."
This was the birth of Operation Solidarity, the labour wing of the Solidarity movement. This constituted "a historic moment, as it was the first time that both affiliates to the B.C. Federation of Labour had met together for a common purpose."(26) A Ten Point Program(27) was adopted; included among its provisions were that 1) there be a four year ban on interunion membership raiding, 2) that under the B.C. Federation of Labour's leadership, an executive committee be established with the BCFL members holding the most seats, but with a "fair representation from the non-affiliated unions", 3) that the unions enter into a coalition with the community group sector, and 4) that all participating public sector unions contribute $5 per working union member for the Operation Solidarity defence fund.(28)

At this time, Kube rejected as premature consideration of a plan to implement a general strike against the government.(29) He went as far as to state that: "A general strike is the last thing on my mind. A strike would scare away a great number of groups." In July, at least, Kube believed the general strike to be counterproductive to the fight for the "hearts and minds" of British Columbians.(30) Instead, an immediate media campaign was launched(31) and a series of protest actions was initiated. A rally occurred July 27 on the lawn of the Legislature in Victoria which attracted 25,000.(32) Many of the protesters were BCGEU members who, in effect, were engaging in a half day political strike.
By the end of July two separate organizational structures had arisen to resist the 'restraint revolution'. They were linked by their common struggle against the government's draconian measures, but they lacked coordination. This raised the question of establishing a structure which could facilitate cooperative actions by the two groupings. By August, the Lower Mainland Budget Coalition and Operation Solidarity had united under the Solidarity banner.(33)

The Solidarity organization was structured into two connected entities. Operation Solidarity was the primary trade union element of the Solidarity movement, under the B.C. Federation of Labour's direction. The Lower Mainland Budget Coalition became the Lower Mainland Solidarity Coalition. Every major B.C. community also had its own local Solidarity Coalition, 58 in all.(34) The Vancouver-based Solidarity Coalition, however, was by far the largest and most important in the province-wide coalition network. The Coalition served as the organizational vehicle for the community-based organizations, although local unions were also active in this forum, especially unions like the Canadian Association of Industrial, Mechanical and Allied Workers (CAIMAW) who were not affiliated to the B.C. Federation of Labour.

The Coalition was headed by a three person steering committee: Art Kube representing the labour movement; Father Jim Roberts, an activist and Catholic priest, who gave expression to the moral dimension of the cutbacks' effects; and Renate Shearer, a fired human rights worker, who represented the social dimension of the
fightback. The BCFL promised the coalition financial assistance but, in labour's view, this also placed it in a leadership position. As a Federation report phrased it:

"The formation of the Solidarity Coalition has again thrust us into a clear leadership role. We have been able to use the organization and resources of the trade union movement to enable many of those community groups to speak out. It is our leadership and our immediate mobilization of labour and community protest that has prevented Bill Bennett's legislative package from quickly and quietly passing into law. It is also clear that we may need broad-based community support to help us win our battle with the provincial government." (35)

The remade Solidarity movement devised a three phase campaign of action designed to pressure the government into retreating on the legislation. Phase one would encompass further mass rallies. The second phase would diversify the protest and pressure tactics. It included placing legislative pressure on the government by supporting the NDP in its filibustering, having a continuous Solidarity presence in Victoria, filling the gallery during debates, and contacting individual Socred MLAs. A "Speak Out" campaign was also initiated, in which a province-wide protest petition was to be circulated, and individuals were urged to demonstrate their displeasure with the government's legislation by wearing protest buttons to work. Further, attention would be focused on the losses of certain rights and services by specifying individual weeks as Human Rights Week, or Education Week, and the like. In this way, an intensive public education campaign could be carried on. The final phase of action would
Involve public sector bargaining. The B.C. Government Employees Union's contract with the government was to expire on November 1st and at that time another level of activity could begin. By late August, however, the shape this activity would assume still remained undecided. (36)

Two demonstrations called by Solidarity proved that, as time progressed, mass support for the movement was increasing. On August 10th, a major rally was planned for Empire Stadium in Vancouver. The government, backed by some employers, threatened that workers present at the rally instead of their workplaces would face not only a pay loss but disciplinary action. (37) These threats by state and capital did not induce organizers to reschedule the protest, nor did they encourage workers to stay on the job. The B.C. Federation of Labour called all non-essential public sector unionists in the Vancouver area to attend the rally, in effect invoking a short public sector general strike. The private sector unions were not, however, formally asked to leave their workplaces; they were left free to follow their own inclinations. (38) The stadium was filled to standing room capacity, with over 40,000 in attendance. (39) Many unionists, including metro area bus drivers, left their jobs in the morning to attend the rally which lasted well into the afternoon. The transit company brought the issue before the Labour Relations Board, charging that the work stoppage constituted a strike and thus was a violation of the contract. The transit union countered with the argument that the attendance of bus drivers at the rally
was not a strike against the company but an expression of political protest recognized and protected under provisions of the B.C. Labour Code. In this instance, the Board sided with the union,(40) thwarting the issuance of legal sanction against the workers.

The last mass march was held on October 15 in what turned into the largest anti-government demonstration in the province's history, with 50,000 to 60,000 participants marching past the Social Credit Party's annual convention in downtown Vancouver.(41) At the rallying point, Solidarity presented the crowd with "A Declaration of Rights of the People of British Columbia", a charter which endorsed as fundamental the sanctity of the very rights which the government was attempting to dismantle. This was one of the movement's emotional highpoints.

By October, B.C. Solidarity had clearly taken the form of a major social movement. All the ingredients necessary to the creation of such a phenomenon were present. First, discontent was abundantly evident. Second, the discontent could be targeted at a specific part of the social order, i.e. the government, that is, a common enemy had been identified. And third, a common cause and interest had been expressed which served to unite various classes and groups to battle that common enemy. An excerpt from Operation Solidarity's Ten Point Program of Action adopted on August 18th perhaps best summarizes the basis of this common interest and unity.
Therefore be it resolved that Operation Solidarity adopt and endorse the principle that an injury to one partner of the Coalition is an injury to all partners of the Coalition; and
Be it further resolved that Operation Solidarity commit itself to the principle that all legislation affecting the Coalition partners must be withdrawn ...(42)

In order for a political protest movement to exist there must be a transformation of both consciousness and behaviour. The events of July through October 1983 in B.C. provide ample proof that many British Columbians had begun to question the legitimacy of the Social Credit government. The unions' and workers' defiance toward the government's threats of reprisals for walking off the job to attend rallies, along with the appearance of thousands of non-unionized British Columbians to protest the government's measures indicated a collective defiance of authority, an important sign of the end of consensus politics in the province.

A key factor in facilitating the rapid mobilization of discontent was the prior existence of an organizational structure within not only the labour movement, but within the community group sector as well. Tenant associations, human rights groups, unemployment action centres, women's organizations, progressive church groups, and the like all enjoyed a presence and were working actively on behalf of their clients long before the budget was tabled. These types of community groups exist because they are reflective of certain interests and needs in society and because the welfare state in many instances has provided institutional support for them. They perceived the 1983 budget as destructive of
their clients' interests and as eroding their social policy mandate. Because this new public policy direction was delegitimizing their purpose and objectives, the community groups clearly perceived the budget as a sign that welfare state consensus politics was in jeopardy.

The very existence of this organizational network of community groups allowed for a rapid mobilization from the grass roots, since leaders with some experience were in place, a measure of financial resources was available, and a patchwork of contacts between these groupings already existed. Frances Fox Piven and Richard Cloward's contention that formal organizational structures work to dampen rather than promote the development and success of protest movements(43) must be challenged on the basis of this experience. In the case of B.C. Solidarity, it was precisely the organizational structure which was at hand in July 1983 which allowed Solidarity to develop rapidly. The discontent could be nurtured and sustained over a rather long period of time, due, in large part, to this pre-existing organizational strength.

The events of 1983, it must be noted, also transformed labour in B.C. from a 'nominal' to a 'real' movement. Individual unions alone do not constitute a movement. According to Aranka Kovacs, it is only "when these individual labour organizations voluntarily unite under a formal structure and when they endorse and adopt a common philosophy that they can be called a 'movement'." Unions must be "held together and sustained by a broadly defined purpose and a common direction"(44) in order to form a movement. Operation
Solidarity, which embraced unions well beyond the boundaries of the B.C. Federation of Labour as well as other social groups, provided such a structure and program.

A reminder of the important role played by oppressive legislation in the formation of social movements was offered by Larry Kuehn, President of the BCTF in 1983. He argued that it was the government's provocative stance which was principally responsible for the creation of Solidarity. As he contended:

Bennett deserves much of the credit for the creation of Solidarity. His massive attack on the institutions and values of the liberal democratic welfare state shook large numbers of concerned and active people out of their organizational ghettos. (45)

Thus, neo-conservative policies are seen to have been responsible for the growth of extra-parliamentary struggle in B.C.

The Mobilization for Strike Action

Solidarity's initial program of mass demonstrations and other protest activities proved unsuccessful in persuading the government to moderate its stance; consequently, the Solidarity leadership believed that a more direct form of pressure had to be applied to the government. It was decided that work stoppage was the most appropriate response. The use of explicitly political strikes, that is, strikes aimed at changing government policy, are rare in liberal democracies. But as Peter Hain has observed: "All industrial action is 'political' in the sense that it involves
struggle, conflict and power relations. But there are different levels or types of workplace action and politics."(46)

There is little purpose in attempting to define, in an abstract way, what a political strike is because industrial and political issues and activities have become extremely difficult to separate, a fact which became evident during the B.C. strike itself. When unions engage in battles over wages and conditions of work, they increasingly come to interfere with the government's industrial strategy and, consequently, they take on a political character. The 'politicization' of strikes has been especially marked since the public sector has become unionized. This has meant that the state was thrust into the front line by virtue of its own position as an employer." In identifying political strikes, one has to draw the distinction between disputes which actually present a true challenge to the political authorities, and those actions which represent only "industrial protests by government workers." The public usually views workers' industrial actions within the state sector as 'political', which leads them to support the government's side in the dispute.(47)

Operation Solidarity's strike plan mixed collective bargaining and political action, to the consternation of the business community.(48) The strike agenda was to begin with a 'legal' and scheduled strike by the BCGEU on November 1st over the issue of a new contract, and to secure exemption for public sector workers from the effects of Bill 3. On November 8th, education workers would join the walkout if the issue of seniority rights was not
satisfactorily resolved. November 10th, crown corporation employees would enter the strike. Civic and transportation workers would walk out on November 14th, and on November 18th hospital employees would strike, although essential services would be maintained. By this point some 200,000 public and para public sector workers would be engaged in job action, constituting a general strike in the public sector.(49) As the strike escalated beyond the BCGEU, the ante would be raised by Solidarity to include educational spending and human rights legislation. As Kube noted: "Once it goes beyond [the BCGEU], people will be involved in what is not necessarily a legally-constituted strike, the legislation and the budget priorities will be attacked."(50) The Operation Solidarity plan of action would advance the strike weapon from an industrial action with some direct political aspects, i.e. Bill 3, toward a decidedly political strike, if agreement with the government was not secured.

Such a graduated strike strategy, it could be argued, was the most effective way to influence the government. If an agreement with the government became an impossibility, then this pressure would eventually culminate in a General Strike, at least for the public sector. The term 'general strike' it must be noted, however, was avoided by the Operation Solidarity leadership. The decision to opt for a 'political strike' was reached only after much hesitation and division within labour's ranks over how far this action should extend (although this was not publicly evident
at the time.) It seems that any voices of discord were lost in the exuberance of the fight-back campaign.

The use of the general strike is, according to historian Wilfrid Crook, like having "a bear by the tail". General strikes often fail to attain their goal and generally lead to a weakening or even a destruction of the trade unions using this tactic. The 1919 Winnipeg General Strike, "one of the most complete withdrawals of labour power ever to occur in North America", was, as David Bercuson reminds us, "a complete failure in the short run". Many have attempted to romanticize this strike, and certainly it was an event of central importance to Canadian labour history, but the fact remains that the failure of the strike set back labour's strength in collective bargaining in Winnipeg for many years after. The legacy of the Winnipeg General Strike is not only one of a celebration of Western Canadian labour militancy and radicalism, but also a demonstration of the inherent danger posed to labour in the use of this weapon. Even massive labour compliance with the strike's call, as in Winnipeg, could not ensure its success.

It has been argued that the general strike's central usefulness is as a myth rather than as an actual guide to effective action. Georges Sorel contended that:

Strikes have engendered in the proletariat the noblest, deepest, and most moving sentiments that they possess; the general strike groups them all in a co-ordinated picture, and, by bringing them together, gives to each one of them its maximum of intensity; appealing to their painful memories of particular conflict, it colours with an intense
life all the details of the composition presented to consciousness.

Certainly in the case of B.C. Solidarity, the mythic element was important. While the thought of an actual general strike frightened the union leadership and much of the rank-and-file, it also inspired the trade union militants and a good part of the community group elements who saw it as a direct way to confront the government. It unified them in the belief that something concrete could be done to effectively combat the legislative onslaught. At each succeeding rally, the cry became louder for strike action if the government failed to back down. The idea of a general strike and Operation Solidarity's threat to invoke one, if all else failed, helped to buoy the spirits of the tens of thousands of the discontented.

But the idea of a general strike went beyond mere myth; it did become part of the political agenda, even if it was only hesitantly adopted by the trade unions and not referred to by name. As Crook had warned, and the trade union leaders all too well knew, the general strike remained a dangerous weapon to play with. The question for the labour leadership was, then, how to lessen the danger to itself, yet at the same time increase the pressure on the government. The solution was the graduated strike strategy.

The plan for a staggered strike had its critics. For instance, Susan Croll of Women Against the Budget maintained that it served simply to prolong the battle and meant that some unionists would
be out for longer periods of time than others. She accused the Operation Solidarity leadership of attempting to "slow down the struggle" and "to take it out of the hands of the people". (54)

One advantage of the staggered strike was that it reduced the inconvenience to the public, compared to an all-out strike, at least in its initial stages. The Solidarity leadership was aware of how vital public opinion would be to the success or failure of the action and was eager to avoid alienating it. The very mention of any kind of strike action upset some. The media was one of the first to turn sour on Solidarity and its involvement with a mass strike. For example, The Vancouver Sun in an editorial voiced its objections:

The strike by the British Columbia Government Employees Union is hasty and extremely risky. The haste was in ignoring a reasonable government offer to continue negotiation without laying off a single employee. The risk is enormous and goes far beyond the welfare of the union members, who are not going to 'win' anyway. All British Columbians will lose if they are dragged into this dispute. (55)

Yet, Solidarity hoped that the escalating strike strategy would reduce the threat of a harsh anti-union reaction by the public. The awareness of the importance of public support would be a factor in the Bill 19 strategies of 1987.

The adoption of a graduated political strike had the advantage of avoiding an immediate crisis while applying incremental pressure, with breathing spaces to allow each side to reach a settlement. The advantage of this strategy was that the labour movement did not have to play all its cards at once, risking both
a crisis of governability which it could not reasonably win, as well as the potential failure to pull out all of the unionized labour force needed to support the strike.

One of the major obstacles faced was ensuring the support of the province's private sector unions. In fact, while a plan of strike action and a time-table had been publicly laid out for the organized public sector, no such strategy had been devised for eventually bringing the private sector unions into the fold. The only governmental action capable of triggering an immediate, full-scale job action, all unions agreed, would be the arrest of key union personnel. (56) Beyond this, little was settled on how or whether private sector unions were to become part of the strike agenda.

The government adopted a number of tactics in an effort to thwart Operation Solidarity's plan of action. First, in a move designed to forestall the BCGEU strike, Bennett suspended the sitting of the legislature for a 'cooling off' period, and promised not to move ahead immediately with scheduled layoffs in the public service as a gesture of 'good faith' bargaining. At the same time, the Socreds attempted to use 'divide and rule' tactics against the unions. They did this by reaching a pre-strike settlement with the ferry workers, granting them an exemption from Bill 3, the Public Sector Restraint Act; yet the Socreds refused to extend this concession to other parts of the public sector. It also threatened teachers with strong disciplinary action if they struck, including the revoking of teaching certificates. The
government also said that it would defend any teacher who was threatened with disciplinary action from the BCTF for crossing picketlines.(57) Thus, through the use of last minute conciliatory messages, selective concessions to a key public sector union, and threats against the teachers, who were perceived to be the weak link in the Solidarity chain, the government hoped to throw Operation Solidarity off balance.

Operation Solidarity, however, was not deterred. The first line of union troops, the BCGEU, went out as scheduled on November 1. The BCGEU was a natural choice for this position because they were bargaining for a new contract and consequently were in a legal strike position, and also they were the union which faced the brunt of the state's assault on trade union rights. The government attempted to isolate the BCGEU by charging that it was using the threat of a teachers' strike to wring monetary concessions from the government.(58) This Socred tactic seemed to have little effect, except to escalate the war of words. The BCGEU contract talks with the government were going nowhere because the government failed to deal seriously with the issue of seniority rights. It can be speculated that the government believed that the next stage of the strike, the teachers' walkout, would fizzle, forcing the BCGEU to settle on the government's terms.

Bill 3 remained the major stumbling block. Provincial Secretary Jim Chabot was adamant that the government would never rescind Bill 3 or its plans to cut the civil service.(59) In an effort to head off the escalating strike situation, the BCTF began
negotiating with various school boards. In fact, a model agreement between the BCTF and the North Vancouver School Board, which exempted teachers from Bill 3, had been tentatively struck. However, Victoria intervened to scuttle the agreement in a move designed to test the resolve of the teachers.(60)

The government had grounds for suspecting that the teachers were uncertain about militant action. In 1982, the BCTF membership had voted by a margin of 60 to 40 per cent against asking the government to grant teachers the legal right to strike. And with regard to the Operation Solidarity job action, only 59 per cent of the teachers voted in favour of their participation.(61) This was hardly a strong endorsement, and although the BCTF officially interpreted this vote as "a solid mandate to take strike action",(62) many within the BCTF were concerned with the narrowness of the vote margin.(63) The state sought to ensure that the teachers would not enter the strike fray by encouraging school boards to seek court injunctions against a teachers' strike in their districts. Because they enjoyed no right to strike, the teachers had to rely on the courts to rule that their withdrawal of labour was an act of political protest in line with previous court rulings on the rallies that led up to the Solidarity strike. Before the BCTF was slated to walk out on the 8th of November, a number of boards, including the Vancouver School Board, were successful in getting injunctions against the action. This indicated that the courts were not going to accept a political interpretation of the teachers' withdrawal of labour. The legal
rulings forced the BCTF and Solidarity in the affected areas to mount picket lines peopled by non-teacher volunteers; this would allow the teachers to use a clause in their contract which permitted them to honour the sanctity of a picket line and buy them some time before further injunctions could be sought. (64)

However, despite their rather narrow endorsement of strike action, the teachers participated in overwhelming numbers. Between 80 to 90 per cent struck, (65) a truly historic act of militancy by a group of 'professionals' with very little tradition of labour disruption. This level of support clearly shocked the government. It expected that only 50 per cent of the teachers would go out, (66) causing the strike to collapse early. The teachers brought with them an expanded set of demands which were placed on the bargaining table. BCTF President Larry Kuehn contended that two demands were key; namely Bill 3 exemptions for all public sector unions, and a resolution to funding shortages in education which were about to cause massive teacher layoffs. (67)

The entrance of the teachers into the strike clearly marked the transition of the struggle from an 'economic' to a 'political' strike, although these divisions had never been clear before this. The next stage of walkouts was scheduled to come off as planned; large sums of money from across the country were flowing into Operation Solidarity's coffers, (68) the construction trades threatened to join the Solidarity walkout, (69) and BCFL secretary-treasurer Mike Kramer publicly warned the government that any harsh action against the strikers would arouse the full
force of the private sector unions. More than 80,000 workers went out, within days another 22,000 would walk. The stakes had been raised and a hard session of bargaining between Operation Solidarity and the government ensued.

The 'Kelowna Accord'

Before the next wave of strikes was to begin, a deal was struck between Operation Solidarity and the government. Jack Munro, IWA President and BCFL Vice-President, was flown to the Premier's home in Kelowna on November 13 to formally conclude and announce an agreement. Art Kube was absent due to illness. Munro in fact did not hammer out the details of the final resolution. An agreement of 'understanding' had already been reached a few days before between the government's negotiators and the twenty member Operation Solidarity steering committee. Aside from the contract with the BCGEU, nothing in the so-called Kelowna Accord was put in writing; the agreement was a purely verbal one. The rationale for this was that the Premier's signing of a formal agreement with Operation Solidarity would have undermined the principles of parliamentary government. Bennett did not have cabinet approval, the negotiations were not conducted within the bounds of the legislature, and Operation Solidarity was not a political party. However, a verbal agreement was subject to the difficulties of multiple interpretations.
The fact that the Premier decided to meet with Munro demonstrates the strength and force which Solidarity represented. It also revealed how far political struggle had moved from the parliamentary arena. Ironically, the government, which had sought to evade a full discussion with the NDP in the 'talk shop', was now forced to deal with a key leader of what Socred rhetoric had labeled a renegade, anti-democratic force. This historic meeting illustrates how de-institutionalized politics in B.C. had become. Solidarity's struggle, culminating in this 'accord', highlighted the advent of a more conflict-centered phase of politics, suggesting that extra-parliamentary struggle was the only way 'legitimate' objections to formative legislation could obtain a hearing in B.C.

According to Operation Solidarity, the Kelowna Accord comprised the following:

1) The BCGEU settlement would exempt the union from Bill 3 and this contract provision would serve as a model for the exemption of other unions from Bill 3.

2) Bill 2, the Public Service Labour Relations Amendment Act, would be allowed to die on the order paper.

3) No reprisals would be directed against any of the strikers or their unions.

4) There would be ministerial consultation with respect to rent control legislation.

5) There would be advisory commissions established for the purpose of public consultation on Human Rights and Labour Code legislative changes.

6) Consultation mechanisms would be established for individuals and groups for the purpose of proposing alternative budget priority suggestions.
Money saved on teachers' salaries during the strike would be returned to the education budget, purportedly to avert the necessity of teacher layoffs.(73)

The last point of the agreement caused conflict. The government demanded that the teachers make up the three work days lost during the strike before any savings would be returned to the school system. The BCTF and Operation Solidarity viewed this as a breach of the accord and as an act of reprisal. The issue simmered to the end of the year, with numerous threats by Operation Solidarity to reactivate the strike if the government persisted in this stance. However, given the impracticality of remobilization, it remained an empty threat and the government's interpretation prevailed.(74)

The 'Kelowna accord' did, however, serve to check the two most 'obnoxious' pieces of labour legislation. The settlement allowed public sector unions to preserve the key union principle of seniority by negotiating exemptions from Bill 3. Before the strike, the government was adamant that Bill 3 was inviolate; clearly it yielded on that point. However, the BCGEU, in exchange, had to tolerate layoffs of tenured staff. Thus, the government did not retreat from its larger goal of reducing public sector staff by 25 per cent, although it would now have to respect seniority rights in making the reductions. Bill 2, which would have stripped the BCGEU of its right to bargain over numerous issues, was withdrawn, another bargaining success for Operation Solidarity. These were the concrete gains the strike achieved.
More ephemerally, the agreement that consultation mechanisms be established to discuss the issues of educational cutbacks, human and tenant rights and changes to the Labour Code gave recognition to the importance of the social issues. Yet, it failed to provide any substantial movement by the government on the tenant and human rights questions. The Bills concerning those rights were temporarily shelved but were reintroduced and passed several months later in a substantially unaltered form. The government's concessions on the social issues were, at best, minimal. \textit{Vis a' vis} the education issues, given the government's refusal to return money saved during the strike to the educational system without requiring the teachers to make up the lost days, this represented a victory for the government, one achieved by breaking the spirit, if not the word, of the 'accord'.

In the weeks and months following the 'accord', the government did renege on its pledge to meaningfully engage in consultation. Since then, there has developed a lively and heated debate about whether or not the leadership of Operation Solidarity had cut a reasonable deal with Bennett or not. Larry Kuehn, a major participant in the conflict, representing the B.C. Federation of Teachers, captured the essence of the dilemma faced by Operation Solidarity. Kuehn argued that if the strike had not been stopped at the point it was at, the dispute would have escalated to a level where "the destruction of either the government or the labour movement" would have been inevitable. The Kelowna accord took place at the "last possible moment of accommodation" for both
the government and the labour movement, making it possible for them to forge an uneasy truce. But as Kuehn observes:

The choice of backing off and choosing to live to fight another day was not made without repercussions. The community groups involved in the Solidarity Coalition felt that the labour movement has settled too cheaply.(76)

The Trade Unions Versus the Community Groups: Tensions in Solidarity

Uneasiness had existed between the trade union and community group elements of the Solidarity movement from the outset. The necessary hastiness with which the coalition was built and the high-paced tempo that was essential to sustain it over the first crucial months had initially masked the internal divisions in the movement. The accord, however, served to emphasize and bring to the fore their differences. While the unions and the social groups were united in their common objection to the government's attack on the welfare state, the fact remained that the nature, power and primary objectives of these two divergent elements stood in stark contrast. Contrary to Patricia Nelson's argument that most of the difficulties between the Coalition and Operation Solidarity were a consequence of the untimely illness of Art Kube who had understood the Coalition and defended its interests to the unions, a more convincing interpretation of the divisions must rest upon the material foundation of the differing natures of the unions and community groups, as well as structural incongruities between these two forms of organizations.
The union's organizational structure was hierarchical (although representational) and operated within a collective bargaining framework. This framework was heavily laden with strong rhetoric, bargaining secrecy and a compromising, give-and-take posture. In contrast, the community groups operated in an environment of direct democracy, with an emphasis upon maximum discussion and participation.(77) Furthermore, their vulnerability and chief concerns meant that they had far less room to manoeuvre. During the height of the budget crisis, their levels of expectation were very high, and many in the Coalition believed that nothing short of a complete withdrawal of all the contentious legislation would be acceptable to the interests they represented. The strong rhetoric of the union spokespersons was taken completely at face value by many community group activists who failed (because of their inevitably less flexible stance) to perceive it as an aspect of the bargaining process.

It is fair to say, furthermore, that the union leadership did little to ensure that the community groups were able to decipher this tough talk. Art Kube, President of the B.C. Federation of Labour, for instance, noted that one of the mistakes made was that Solidarity had set its goals too high, calling as it did for nothing less than the removal of all 26 controversial Bills.(78) Clearly, Operation Solidarity never thought this was a realistic possibility, but failed to communicate this to the Coalition.

The power inequities between these two groups were also striking. It was the trade union movement which possessed
significant financial resources, a paid full-time staff, printing presses and telephone banks --- the organizational infrastructure necessary to sustain such a movement. They also had the ultimate weapon in the strike, with which to battle the government, a tool the union movement jealously guarded. Jack Adams of the BCGEU forcefully expressed this position:

This is a very serious business. Operation Solidarity, not the Solidarity Coalition, made the decision to start the escalating strikes. Operation Solidarity, not the Solidarity Coalition, will decide to stop it. That decision will be made by the people involved. The people on the picket lines are the ones who paid the price.(79)

In the unions' view it was organized workers, after all, who had to sacrifice their wages and endure the legal risks, both personally and to their organizations, on account of their job actions. Furthermore, the social-political climate had become very volatile and many in the union movement were wary of the situation's explosive potential. While the unions felt that it was time to show the government that the organized workforce meant business, they also perceived the dangers of a more extensive work stoppage and desired a very flexible bargaining position to prevent it. The unions feared the real possibility of state repression, resulting in their elimination in a vortex of legal sanctions. Jack Munro put the case in this colourful way:

Raising hell, organizing and doing the things we were doing were good and possible, as long as we had a following and an economic base. But it just didn't make sense in my mind to commit suicide, to blow your economic base all to hell, to blow your
organizations all to hell, and expect to continue the fight. (80)

The Operation Solidarity leadership was convinced, operating as it did from a collective bargaining framework, that the time to cut a deal had arrived. The government was so uncertain about the continued escalation of the industrial action (81) and the potential threat it posed to its governance and to the industrial relations climate of the province, that it was, for the first time, willing to seriously bargain. Operation Solidarity also perceived its own vulnerability. Since the beginning of the Solidarity strike, public opinion had turned decidedly against the opposition in support of the government. One poll indicated that if an election were held, the Socreds would gather 41 per cent of the vote, the NDP 29 per cent, a Solidarity candidate 7 per cent, with the remainder undecided. (82)

Moreover, there was concern that the strike was about to lose its vital momentum. There was some indication that the ferry workers would only participate for a few hours, that injunctions were driving teachers back to the classrooms, and a recognition of the softness of support among private sector workers, particularly the IWA. (83) Bob White's problematic question about the test of good union leadership must have been echoing in the minds of the leadership of Operation Solidarity; that is, anybody can take the membership out on strike, but the crux of the matter is, can you bring them back in? (84) Operation Solidarity felt this was the time to bring its membership back to work. They had gained as much
as possible; holding out further and allowing the walkout to escalate would pose a serious threat to the whole trade union movement. Mike Kramer expressed Operation Solidarity's perspective in these terms:

We went as far as we thought we could go. We were going to be the meat in the grinder for the courts and the labor board. They weren't going to throw trade unionists in jail. They were going to bleed our treasury. We were going to face fines and fines.

We put Operation Solidarity together to protect our own interest, particularly public sector unions.

Then, we got caught up with the momentum of what was happening. We did not appreciate the dimension of what was coming together. Quite frankly, I did not believe we could put it together as well as we did. Some of us were even beginning to talk about revolution.

But sanity set in eventually. We were not going to have a revolution. In the final analysis, we are responsible to our members who pay our salaries and pay for the cars we drive around in.

And they told us: 'We will go with you, but don't lead us over the cliff.'(85)

By contrast, the Solidarity Coalition perceived the situation quite differently. This was in part because they were not included in the bargaining process and thus not caught up in the bargaining dynamic, and also due to the nature of their demands and their membership. The termination of the strike provided "an inadequate framework for the achievement of the Coalition's objective as to content, form and substance."(86) The community groups, in relation to the unions, were relatively "powerless". They had little money and no means to activate a strike. They were important to the Solidarity movement because of the numbers they
could attract to rallies, and because they widened the opposition beyond the interests of organized labour, lending to labour's reaction an aura of legitimacy which was necessary for its success. But in the end, they had little real power to enforce their interests within the movement, or with the government. This fact was made clear by the settlement; the substantive gains were made on the central questions affecting labour, specifically Bills 2 and 3.

The primary issues which concerned the community groups, such as human and tenant rights, were given only cosmetic treatment. This was not because the unions had no concern for the community groups' central interests, but at least partially because those issues were considered by the unions to be 'political' ones not easily resolved through strikes and collective bargaining mechanisms. In the final analysis, the union leadership remained convinced that the 'political' issues would have to be resolved at the ballot box. Given all these factors, it is not surprising that: "[c]ooperation between trade unions and community groups", as Art Kube has noted, "sometimes can be seen like a clash between two different cultures and two different value systems." But the unsettling fact remained that Operation Solidarity had reached an agreement with the government without even consulting the Solidarity Coalition in advance.

In the wake of the 'accord', some serious re-evaluation of the roles of the various actors in the Solidarity movement occurred. Labour, while not recanting on the validity of the agreement
reached with the government or its role in it, did concede that
the process had been faulty. Kube admitted that the Operation
Solidarity leadership had operated in a manner which treated the
bargaining as if it were a usual labour/management dispute.
Operation Solidarity had failed to develop adequate lines of
communication with the Solidarity Coalition to inform it of the
daily and hourly developments on the bargaining front. It was an
improper manner in which to treat an ally in the fightback
campaign, and it was a mistake which would be corrected, Kube
assured the Coalition. (90) Of course, any agreement which settled
for less than complete victory would inevitably raise voices of
discord from some ranks. Consequently, an agreement which
preserved enough to simply "live to fight another day" was
particularly susceptible to criticism.

But the question remains as to whether the social groups and
working people were, as Bryan Palmer contends, betrayed by a group
of labour mandarins. (91) By way of responding to this, I would
note that the conflict between Operation Solidarity and the
government extended well beyond any normal labour/management
dispute. All of the issues covered in the negotiations, both those
concerning collective bargaining in the public sector and social
legislation, were of a highly political nature. Labour was correct
in asserting that it was particularly difficult to resolve the
social issues by means of the November negotiations. But this was
in large part because the negotiating partners were labour and the
government; the community groups had been excluded.
On the other hand, the community groups comprised an array of varying interests, and their structures were clearly not set up for the bargaining process. They had no real leadership structure with whom the government could negotiate to make an agreement stick. Moreover, legitimate questions can be raised about who the various community groups actually represented. Many of the groups were in essence 'paper organizations', devoid of a mass base. Others, such as Women Against the Budget, could not reasonably contend that they represented the views of the majority of British Columbian women. Thus, the question as to which segments of the population the Coalition spoke for, and was responsible to, become both pertinent and problematic.

Clause Offe's observations on the nature of social movements are quite revealing vis à vis this question:

Social movements relate to other political actors and opponents not in terms of negotiations, compromise, reform, improvement, or gradual progress to be brought about by organized pressures and tactics but, rather, in terms of sharp antinomies such as yes/no, them/us, the desirable and the intolerable, victory and defeat, now or never, etc. Such a logic of thresholds, obviously, hardly allows for practices of political exchange or gradualist tactics.

Movements are incapable of negotiating because they do not have anything to offer in return for any concessions made to their demands. They cannot promise, for instance, lower levels of energy consumption in return for the discontinuation of nuclear energy projects in the way trade unions can promise (or at least practice) wage restraint in return for employment guarantees. This is due to the movements' lack of some of the properties of formal organizations, most importantly the internal bindingness of representative decisions by virtue of which formal organizations can make
sure to some extent that the terms of a political deal will be honoured.

... Movements are also unwilling to negotiate because they often consider their central concern of such high and universal priority that no part of it can be meaningfully sacrificed ... without negating the concern itself.(92)

Offe captures the essence of the problem which confronted the Solidarity movement. The nature of the community groups' demands and expectations, as well as their structure, were such that negotiations were not easy once that stage of the conflict was reached. By contrast, the trade union section was very much suited to and schooled in the 'give and take' world of power bargaining. This was a cleavage in orientation and expectations which would result in tensions in the movement.

In this light, Operation Solidarity's comments on the situation have some validity. However, Operation Solidarity did realize that some sort of concession on the social front, however limited, was a necessary ingredient in a settlement. It had been at least partially responsible for elevating expectations on the social questions and it did bear some responsibility to represent the interests of the Solidarity Coalition, whatever its apprehensions about this role.

The confusion centred around the social issues occurred because Solidarity never formally prioritized its demands; it retained the ideal goal of the withdrawal of all the objectionable legislation. Of course, the process of establishing which goals would be given priority would have proven contentious, revealing tensions between the vital interests of the unions and the
community groups. The importance of maintaining unity between this broad coalition of forces was regarded as paramount and, consequently, the difficult but necessary task of setting out what the bottom line would be was avoided, whether consciously or unconsciously.

However, once the struggle reached the stage of the November strike, demands were prioritized by Operation Solidarity. The Coalition was still working from the premise that the bottom line was the withdrawal of all the legislation. By contrast, Operation Solidarity viewed the goals of the strike action in more limited terms. While the escalation of the strike would bring increased demands, Operation Solidarity stated from the beginning of the action that Bill 3 was the key issue, and a resolution to this question would be the basis for an end to the strike. Kube also revealed to the Coalition that this was not the appropriate forum in which the social issues could be resolved, and that the unions and community groups would have to fight for these issues in another way. (93) Thus, at least, the leadership elements of the Coalition were informed about the goals of the strike in advance. But as Kube put it:

"... there were certain dynamics ..., through no specific fault of anyone, that created the impression social issues were going to be negotiated. As a result, there was a letdown among many of the community groups in the Solidarity Coalition when the strike ended." (94)

Clearly, the Coalition was upset by the Kelowna accord. At a general Lower Mainland Solidarity Coalition meeting shortly after
the settlement, Kube was booed. Stella Crampton of Women Against
the Budget expressed the feeling of many, in these terms:

    We are appalled that the Solidarity Coalition
was not consulted regarding the negotiations
preceding the settlement before the public
announcement was made. The demands of the
Solidarity Coalition have not yet been met but
they continue to be central to the development of
any real truce.(95)

There was a real sense that the failure to consult the Coalition
was unfair, that the process was 'rotten'. It was perceived that
the clout needed to exact concessions from the government on human
rights issue was now gone. There were demands from the Coalition
that Operation Solidarity publicly recommit itself to the
Coalition by declaring its "financial and and moral support to
[the] Coalition on all issues." But it was the lack of
communication between the Coalition and Operation Solidarity
during the negotiations which received the most unfavourable
evaluation.(96) However, in the final analysis, the Coalition,
while disappointed, reconfirmed its endorsement of Solidarity,
recognized the achievements of the strike, and vowed to fight on
until the social issues were satisfactorily resolved.(97)

Given all of these factors, to speak of the Kelowna accord in
terms of a betrayal is inaccurate; the term fails to fully account
for the difficulties within the coalition, or the achievements of
the strike. What can be safely asserted, however, is that
Operation Solidarity treated the community groups as junior
partners rather than as equal participants in possession of full
bargaining rights with a significant role to play in strategy. The
power inequities between the trade unions and the community groups was inevitably reflected in the settlement between Operation Solidarity and the government.

Despite the difficulties in the movement, Solidarity was a major force to contend with. The agreement, however, marked a transition point for Solidarity. After the accord, Solidarity passed from a mass extra-parliamentary political opposition movement to a much smaller and more institutionalized government watchdog organization. While the unions and community groups remained active in Solidarity, the large numbers which had participated in the turbulent months before the accord vanished, leaving Solidarity to be run by a handful of full-time staff persons, a small number of union officials and a cadre of committed social activists. The fact was that the settlement had been disillusioning for some, who consequently fell away from the movement. Furthermore, the intensity of the activity during the first few months could not reasonably be maintained for an extended period. The accord served as the break which sapped the movement's momentum.

Solidarity remained an active critic of the Social Credit government, becoming a continuing source of media attention as a counter to government policy on the labour and social issues. Solidarity's establishment in 1984 of the travelling People's Commission, which served as a forum on the adverse effects of the government's legislation, was a clear example of the change in Solidarity's orientation. From a movement which rallied tens of
thousands to march against government policy in the streets, Solidarity "quieted into a more typical protest organization, criticizing here and there, issuing the occasional threat and printing information leaflets."(98) Before the 1986 provincial election, Solidarity as an organization was formally dissolved. But the idea which Solidarity represented, that is, an attempt to link the common interests of community groups and unions endures, as the revival of the concept of social unionism in B.C. would indicate.

The longer term project, endorsed by many figures in the B.C. labour movement, is an option for labour that flows from the Solidarity experience. Organized workers, it is held, must "broaden out" and "make common cause" with the popular sector. While the union movement must still remain active in social democratic party politics, this, per se, is no longer enough. A very important extra-parliamentary component of labour's struggle must also be embraced. Via this practice, the organic links between the community groups and the trade union movement will be nurtured.(99) If the trade union movement wishes to remain an important force for change in the future, then it must begin to move along this path. The problem, of course, is that the practice of this type of popular sector politics does not match up to the theory, but it is clear that there exists a growing awareness of the need for its application.

One of the tensions between labour and the community groups revealed in the process of building social unionism involves
timing. Kube, for one, suggests that the establishment of a popular sector coalition for extra-parliamentary strategizing ought to be gradual. He noted:

If labour wants to work out a relationship with community groups, the process must take place slowly, over a period of time, so that each can begin to understand the other's agendas and operating procedures.(100)

The forces of neo-conservatism, however, are already organized and on the march. Consequently, a gradualist approach to this enterprise may be insufficient if any real attempt to preserve the welfare state is to succeed.

Solidarity and the Trade Unions

While the July 1983 Social Credit budget had an uneven but, on the whole, positive effect in opening a dialogue and identifying sources of unity between community groups and unions, it also served, to some degree, to play a similar role with regard to the divisions with labour. Fractures between unions affiliated to the B.C. Federation of Labour and non-affiliates like the construction trades, hospital workers, and teachers were mended during this time, a period of unprecedented labour unity. This was especially the case for the public sector unions. Operation Solidarity constituted a common front of public sector unions which was able, to a degree never before achieved in B.C., to develop a common program of action culminating in the massive job action to defeat Bill 3. This public sector unity would hold after 1983, and
regular communications networks between these unions have been developed. In fact, the events of 1983 brought the Hospital Employees Union back into the B.C. Federation of Labour.

The B.C. Federation of Labour Convention of 1983, held after the Kelowna agreement, was a display of labour unity and support for the leadership. All of the leading Federation officers were returned by acclamation and the agreement between Operation Solidarity and the government was endorsed, although the convention demanded that a strong program of retaliation be adopted if the government failed to live up to the accord. At this convention, for the first time, non-affiliated unions had "fraternal" or special status and were free to speak on resolutions concerning Solidarity. (101) Significantly, a call by the Canadian Labour Congress President Dennis McDermott for the BCFL to conduct a campaign of raids on the building trades was firmly rejected; unity was the watchword of this convention. (102)

One long-standing source of division within the B.C. labour movement which was not effectively bridged during the Solidarity battle was the conflict between the BCFL and the Confederation of Canadian Unions (CCU). These contending union centrals have a long history of rivalry and raiding founded upon divisions over the national question and ideology. (103) This history of acrimony proved too strong to overcome. The CCU was initially included on the Steering Committee of Operation Solidarity, but the CCU failed to make its required financial contribution to Operation Solidarity, and it rejected publicly point one of Operation
Solidarity's Program of Action, the restrictions on union raiding.(104) Given these circumstances, the CCU, at the start of the Solidarity strike, was expelled from Operation Solidarity. However, the Independent Canadian Transit Union noted that they would continue to cooperate with Solidarity, and that transit workers would still remain part of the strike agenda and walk out if called upon.(105) However, not surprisingly, given these circumstances, the President of the CCU, Jess Succamore, had a decidedly negative assessment of the Kelowna settlement:

The whole mobilization was basically a fight to have the government move on these social issues. It appears now that, after all, the fears that the labor movement would look out for itself and turn its back on the old people, the poor people, the handicapped and the sick, have come to pass.(106)

While the budget crisis resulted in the repair of some of the differences in the B.C. labour movement and, during the Budget crisis, despite the BCFL/CCU division, generated an unprecedent degree of labour unity, it also led in the post-accord period to renewed rifts in the 'house of labour', most particularly between the International Woodworkers of America and the BCGEU. A brief look at the history of union growth in B.C. may help to bring this division into focus.

During the first half of the century, union strength and militancy were squarely centred in resource and manufacturing industries. Beginning in the 1960s, however, union organizing found a new source of white collar recruits, especially in the public sector. The most impressive growth occurred in the BCGEU
which surpassed the IWA in 1982 as the largest union in the province. As stated, workers in the public sector have a natural interest in the maintenance and expansion of the social welfare state. The large unions in this sector are a strong pressure group willing to stand in defence of these interests. In times of economic prosperity, the goals of this group of workers have not conflicted fundamentally with the interests of organized workers in the private sector.

However, with the advent of global economic transformation and deep recession, tensions within elements of the blue collar workforce are more evident. Questions concerning the levels of taxation necessary to support public sector employment have grown more salient for many blue collar workers. The issue of how much blue collar unionists would be willing to sacrifice to support the struggles of their public sector counterparts has become crucial. Premier Bennett used these tensions in classic 'divide and rule' fashion, by playing on social class divisions, especially between the blue collar working class and the more middle class professionals in the public service. Equal sharing of the recession burden was a main plank in Bennett's justification for deep cuts in the public sector. Social Credit argued that the new economic reality meant that real jobs and prosperity were produced in the private sector and that continued pampering of the public sector threatened the employment prospects of private sector workers.
This argument was heeded by many B.C. workers. The recession and the neo-conservative attack brought forth a varied response from unionists. It generated a good deal more hesitation among private sector unions like the IWA, while public sector unions were pushed to new levels of militancy. However, one issue that did unite the public and private sector unions during the Budget fight was the government's attack on the principle of seniority (Bill 3). Jack Munro expressed the position of his membership this way:

There's no doubt that some of our guys who haven't worked for a year would have a little trouble taking action just to protect the loss of tenure for public employees.

But when the government starts taking away things like seniority and imposing the right of fire without cause, then that's something our people recognize as a fundamental attack on trade union rights which has to be resisted by everyone.(107)

The resolution to Bill 3, however, eliminated this source of unity.

A number of factors combined to make the tensions between the IWA and the BCGEU particularly intense. Workers in the forest industry had succumbed to a worldwide lack of demand, resulting in a sharp decline in woodworkings jobs. Woodworkers and their union leaders were desperately concerned with unemployment and the restoration of the forest industry. Out of a total union membership of over 50,000 in 1981, the IWA lost almost 18,000 members.(108) As a result, the IWA was not receptive to 'political strikes', which it felt would only damage an already financially

361
strapped workforce. Jack Munro, president of the IWA, reflected to a considerable degree his membership's feeling when he noted: "Our people in the IWA want to work. They're nervous, even a bit afraid at all this nonsense about general work stoppages."(109) From the point of view of many woodworkers, Bennett's talk about the privileged position of government workers struck a responsive chord.

These tensions were sharpened by the competition between the BCGEU and the IWA, the two labour giants in the B.C. Federation of Labour. The BCGEU, newly-emerged as the largest union, posed a challenge to the formerly protected and privileged position of the IWA. The leadership styles of the two unions also clashed. The BCGEU presented a new type of leadership with a professional and highly sophisticated approach, concerned with cultivating a positive public image for itself and the labour movement in general. The IWA, in contrast, is rough-and-tumble, burly, old-style unionism. Its concerns have traditionally been classic bread and butter issues and, consequently, it has been less interested in extending itself toward the community groups. The Jack Munros of the labour movement have felt out of place and uneasy in an alliance composed of feminists, gays, environmentalists, human rights activists and other community-based groups.

The division between the IWA and BCGEU came to the fore in the post-accord period. When the Social Credit government brought down its sweeping changes to the B.C. Labour Code in 1984, there were
renewed calls for the re-activation of Solidarity as a mass movement, and for a general strike. Munro and the IWA quickly made their feelings known about "such nonsense". The public manner in which this occurred demonstrated to the government the rifts within labour concerning how to deal with the state's renewed attack upon workers' rights. Munro's actions were viewed by many in the B.C. Fed as a betrayal of union solidarity. Munro expressed his position with respect to the role of labour and public sector unions in these revealing terms:

Our members are the general public and they are getting tired of us (labor) declaring war on the Government twice a week. The federation has never been more ineffectual. We used to be a strong voice to be reckoned with.

... People are trying to take advantage of words and phrases or somebody else's social conscience to justify what they are doing at the bargaining table. The biggest fear workers have is that they are going to lose their goddamn jobs. Their fear is real. The threats are not.

... They (public sector unions) are saying to industrial workers that they know best and now that they are the majority that's the way it's going to be. The trade union movement doesn't work that way. (110)

The annual convention of the B.C. Federation of Labour in November 1984 demonstrated the dissatisfaction of the majority of B.C.'s trade unionists with Munro's role. Munro was decisively defeated as the first vice-president of the Federation, a position traditionally held by the IWA. After the defeat, Munro charged that the BCGEU was attempting to dominate the Federation. (111) Munro doubtless enjoyed wide-based support for his "bread and
butter' unionism among his own membership as indicated by their endorsement of his presidency of the IWA by nearly 80 per cent shortly after the BCFL convention. (112) The IWA, in reaction to the convention's direction and its rebuff of Munro, partially withdrew from Federation activities and sharply curtailed its funding of the organization. While the rebuffing of Munro's bid for the vice-presidency represented a defeat for business unionism within the B.C. union movement, (113) it also revealed the serious rifts in labour's ranks. (114)

Conclusion

The rise of Solidarity in B.C. can be traced to a combination of factors. As stated, B.C. formed the cutting edge of the new right's attack in Canada, representing a local expression of a new politics already evinced in Thatcherism and Reaganomics. This change was indicated by the Socreds' 1983 Budget, a fundamental challenge to the post-war social contract. It induced a mobilization and politicization of popular forces in defense of the welfare state, opposed to the government's neo-conservative agenda. The political strike action by Solidarity achieved a level of success which the NDP's legislative arguments proved incapable of accomplishing. (115) The politics of consensus, distinguished by the channeling of political struggle into party politics, was at an end, as signifies by, first, the budget and, second, the extra-parliamentary reaction of Solidarity. Significantly, labour
in this province possesses the strongest tradition of militancy and political activism in English Canada, making it a willing source of vigorous opposition. The bond between labour and the community groups was facilitated because of the July Budget's simultaneous attack on both groups. Rather than simply demoralizing its intended victims, the Budget instead had the effect of linking them together in a campaign of opposition.

The name Solidarity, significantly, was adopted from the Polish Solidarity movement which was engaged in its own struggle against its constituted government over, not only trade union rights, but civil and social justice. B.C. Solidarity attempted to construct bridges between various elements and classes in society — to forge a progressive coalition of trade unionists, the unemployed, women, minorities, and more middle class elements represented by the community groups making up the Solidarity Coalition. Public sector workers played a key role in this process. They were the most primary and militant source of support for the social issues within the union movement. Public sector workers were the only section of the labour movement with a direct material interest in unifying private sector workers and the community groups. Yet, as the Kelowna accord demonstrated, the public sector workers were unable, in the short term, to successfully unite the varied agendas within the trade unions and the Solidarity Coalition. Ultimately, the public sector unions gave the trade union issues predominance; nonetheless, they remain committed to opposing the reduction of the welfare state and in
favour of encouraging the B.C. labour movement toward the path of social unionism.

The Budget crisis revealed both the strengths and weaknesses of Solidarity. On the negative side, it brought to the fore divisions within segments of the labour movement, most especially over the question of strategy, such as the use of the 'political strike'. The settlement also demonstrated the tensions existing between the unions and community groups. Yet, one must not underestimate the importance of the vision which emerged from the Solidarity struggle, one in which labour began to adopt a more holistic view of social-political battles, despite the limits of its practical application, for reasons previously examined herein. Led by the public sector, labour began to transcend purely economic goals in favour of social ones, in a significant way. As Cliff Andstein, the BCGEU's chief negotiator, noted: "The important thing is that the concept of Operation Solidarity has survived. We achieved what we did by working together in one united organization, and I don't think we're likely to ever return to the old days of fighting our battles in isolation."(116) Solidarity revitalized both organized workers and community groups by helping them to reach out and forge historic links, facilitating the first steps towards the building of a strong progressive front.

Solidarity emerged in response to a direct attack and thus it was not only reformist, but largely defensive in character. When assessing this type of protest movement, it is important to
consider the limitations imposed by 1) the strength of the government, 2) the lack of development of a broad-based radical political consciousness, and 3) limited resources. Since Solidarity was a purely defensive mobilization, devoid of its own coherent social vision for the province, it is not realistic to expect that it could have decisively defeated the neo-conservative assault.

Piven and Cloward, in assessing such movements, conclude that: "What was won must be judged by what was possible." (117) Had it been possible to extract further concessions from the Social Credit government? By holding out a little longer, perhaps more meaningful movement on human rights could have been won by Operation Solidarity. This path, however, opened the obvious danger of inducing a collapse to the negotiations and forcing the ultimate showdown between government and Solidarity, resulting in a major political crisis, with the state as the ultimate victor. The resulting legal repression would have created not only material obstacles in the path of the extra-parliamentary force but also generated a deep demoralization within its ranks. The attack on trade unions and welfare state supporters, begun with the 1983 legislation, would have been accelerated, reducing their abilities for consolidation, defense and new offensives, at least in the foreseeable future.

A fundamental problem with the use of the general strike in liberal democracies is that this type of government legitimates the authority of the elected governors. The election process
implicates the electorate in the subsequent decisions of the regime, so that even if the 'people' oppose their leaders' political decisions, their overriding sense is that a process exists to effect change. 'Political' strikes are thus regarded as 'beyond the pale', once they begin to substantially challenge this constituted authority. Consequently, the use of the 'political strike' in such societies has borne a Janus face. Labour recognized these dangers; the adoption of the graduated strike strategy was intended to lessen the dangers of such a strike to itself, while still placing significant pressures on the government. Clearly, the use of insurgency in the form of the political strike was the catalyst which propelled the government into making concessions. There were at the same time, however, limits to what insurgency could achieve. Pushed to the point of a general strike, insurgency would have played into the hands of the political right and been counter-productive.

The organizational structures of Operation Solidarity and the Solidarity Coalition were vital to the successes achieved by the movement. In light of the Solidarity experience, Piven and Cloward's argument favouring the role of insurgency and asserting the negative impact of organizations in the winning of reforms by social movements(118) must be challenged. Solidarity proved that organizational structures are essential for successful social movements, coupled with 'tempered' insurgency, in the case of defensive mobilizations.
But while Solidarity was a decidedly defensive formation, the development of the mass extra-parliamentary character of the movement, in its initial stages, did demonstrate a counter-hegemonic potential. By examining "earlier periods of great social and political upheaval", as Barrington Moore Jr. (Social Origins of Dictatorship and Democracy) and Theda Skocpol (States and Social Revolutions) have done, one can conclude that "the simultaneous defection of different constituencies is always dangerous to a political regime."(119) The outcry against the Budget forced the Social Credit government to recognize the danger to itself and thus to negotiate with Operation Solidarity, which extracted from it limited but important concessions. Under Bill Bennett's direction, the Social Credit government was the least popular in the country, according to opinion polls.(120) The B.C. public's continuing negative attitude, despite the apparent success of Expo, no doubt played a decisive role in the Premier's resignation. Furthermore, while B.C. has long possessed a highly polarized political culture, the Budget served to revive and intensify the polarization in the province, forcing it to spill beyond the confines of parliamentary channels.

Solidarity was an attempt to open up a popular-democratic discourse in response to the challenge of the new rightward political thrust, which confirmed that mass popular resistance to neo-conservatism could be realistic and possible in advanced capitalist countries. For the government, of course, this exercise of extra-parliamentary democratic participation constituted an
intolerable "coalition of dissent".(121) A year after the Solidarity mobilization, B.C. Attorney General Brian Smith published an open letter in which he attacked the rise of political disobedience and the media's coverage of it. Smith contended that: "[W]hen those who perpetrate civil disobedience are given disproportionate attention, the dispute itself often becomes much harder to resolve because the parties have acted out exaggerated postures under the gaze of cameras." Smith's attention to this issue was, in his words, "an attempt to bolster our legal institutions."(122) These comments reveal the coercive edge to class war conservatism, and its constrained view of democracy. Neo-conservatism seeks to de-politicize issues, by presenting them as matters of law or economics. It moves the focus away from citizens' rights in favour of their obligations, such as the duty of obedience owed to government.

Neo-conservatism is attempting to determine where the battle in the public mind will be fought, by shifting attention away from the radical policy agenda, toward the terrain of 'law and order'. The populist edge to B.C.'s brand of neo-conservatism is also revealed in Smith's comments, which are clearly intended to play upon peoples' fears of social breakdown. His criticism of the media is ironic, considering it was instrumental in forming Bennett's 'tough guy' image, yet appropriate, given the neo-conservative perception of it as part of the 'adversary culture'. Smith's comments also point to a recognition of the new
salience of extra-parliamentary political action, and the end to consensual politics in B.C.

Finally, in terms of the broader implications of the B.C. experience, labour's concerns were expressed by Dennis McDermott, speaking as President of the Canadian Labour Congress, when he asserted the necessity of preventing Bennett's neo-conservative policies from spreading. "The disease that started here in British Columbia", he announced, "has got to be isolated here, contained here, and, yes, destroyed here." The ease with which right wing policies and rhetoric may be exported is evident in B.C. Social Credit's adoption of the politics of restraint from Britain and the United States, and its promotion of this remedy for Canada's economic ills. The Solidarity struggle did not prevent the further march of neo-conservatism in British Columbia, although it temporarily slowed its pace and motivated the government to adopt different tactics.

Yet, it demonstrated to other governments in Canada that there were heavy potential costs to embracing a neo-conservative agenda, such as political polarization, extra-parliamentary resistance, and a severely disrupted industrial relations climate. It is true that, for those on the ideological new right, penalties such as intensified social conflict, including political strikes, may be regarded as a small price to pay for the long term benefits offered to capital by a neo-conservative policy agenda. But, Solidarity demonstrated to potential neo-conservative governments in Canada the risks which neo-conservative restraint strategies
may also pose to their popularity at the ballot box. The lesson of Bennett's resignation could sour their perception of neo-conservatism as a panacea. As for labour in B.C., Solidarity was to be the first round in an ongoing struggle which would again extend beyond the legislative boundaries with the 1987 Bill 19 fightback campaign.
Notes

1. Telepost Message from Larry Ballard, President, Windermere District Teachers' Association, dated October 3, 1983 in Larry Kuehn Papers, Box 4, File 9

2. As quoted in Ian Mulgrew, "B.C. conflict turns bitter as labor unrest spreads", The Globe and Mail, November 9, 1983, p. 4


5. Donald E. Blake, "Socreds hurt own image", The Vancouver Province, October 16, 1983, p. 12


8. Wilson, op. cit., p. 126

On an interesting related point, evidence of the decline of parliament in British Columbia is offered by the reduction of the number of days which the legislature has met in recent years. In 1977 the B.C. legislature convened 137 days out of the year, by 1980 this had declined to 104 days, in 1983, 84 days and in 1984 only 57 days. The reduction in sitting days of the legislature has coincided with the appearance of the economic crisis. It is charged that the reduction of sitting days was an attempt by the government to avoid criticism of its 'restraint' program. It also, of course, contributes to the process of the centralization of political power in the hands of cabinet.

373


13. As quoted in Doug Ward, "Skelly stresses Solidarity link", The Vancouver Sun, June 19, 1984, p. 16


15. Interview with John Weir, Head of the Economic and Community Relations Department, B.C. Federation of Labour, Vancouver, June 12, 1987; and Interview with Frank Kennedy, Secretary-Treasurer, Vancouver and District Labour Council, CLC, Vancouver, June 18, 1987.


18. Carroll, op. cit., p. 110

19. Ibid., p. 96


21. Lower Mainland Budget Coalition, "On the Creation of the Lower Mainland Budget Coalition", flier, n.d. in Larry Kuehn Papers, Box 4, File 6


25. "'We'll fight gov't' declares B.C. Fed", *Pacific Tribune*, July 15, 1983, p. 1


A B.C. Fed document described the significance of the founding of Operation Solidarity in the following way:

> Operation Solidarity represents a milestone in the history of the labour movement in Canada. Whatever the outcome of the current struggle, things will never be quite the same again.

> ... The decision by the Federation to invite all unions in the province to participate fully in a program labelled Operation Solidarity immediately put trade union opposition to the government's program on a higher plateau than ever had been achieved before, and ensured that this united trade union opposition would enable labour to develop a campaign superior to any which had previously been staged.*


27. A reproduction of the 10 point program may be found in Pollack, op. cit., pp. 150-151


Kube on the issue of a mass strike noted:

> There will be no general strike until other avenues that are open have been tried.

> We intend to mobilize action against the madness this Government is trying to perpetrate against the average citizen.

> We want to push this Government to rescind the legislation and amend the budget. Any
democratic government has to respond to that type of pressure.*


31. By the end of 1983, Operation Solidarity spent over $200,000 on its media advertising campaign.*


32. Carroll, op. cit., p. 98

33. There was some debate within the LMBC as to whether they should join into a larger union with Operation Solidarity. Some felt that this would subordinate the coalition to the dictates and agenda of the B.C. Federation of Labour bureaucracy. The majority opinion, however, was that a broad united front against the government was necessary to defeat the legislation and that the organizational strength of the labour movement could only enhance the strategic position of the coalition.*

*. See Palmer, Solidarity, p. 34

34. Carroll, op. cit., p. 109

The Solidarity Coalition which was officially formed on August 3, 1983 was guided by the following four point operational statement.

Operational Statement

1. This coalition is constituted of groups and organizations in British Columbia opposed to the budget and legislative package (or aspects thereof) presented to the legislature by the B.C. government on July 7, 1983.

2. This coalition will work province-wide and through local coalitions:

a. to oppose the brutal attack of government against the social, economic and democratic fibre of this province by demanding the withdrawal of all government legislation which adversely affects the economic and human rights of British Columbians;
b. to help individuals and groups to develop and carry out their strategies for (a);

c. to start broad public discussions in this province in an effort to develop policies for a social and economic recovery alternative designed to meet the real needs of people in the 1980s.

3. Each group or organization participating in this coalition retains its right to act independently and in its own way in opposition to the budget and legislative package but agrees to work on and support common actions, activities or programs as decided by the coalition.

4. Recognizing that this coalition constitutes organized political opposition to actions of the incumbent government in this province, nevertheless, it shall be non-partisan in its activities and program and shall therefore not offer or endorse candidates for public office. This coalition welcomes support in its fight against the government legislation from all quarters of the community.*

* Solidarity Coalition, untitled document for delegated conference, October 20, 1983 in Larry Kuehn Papers, Box 5, File 11, p. 1


37. Provincial Secretary Jim Chabot stated that "walking off the job was a violation of our collective agreement. We view it with concern. A repeat of this kind of activity would be subject to further disciplinary action."* In fact those who attended both the Victoria and Empire Stadium rallies would be subject to harsher discipline.**

* "Chabot vows rally censure", The Vancouver Sun, August 9, 1983, p. A1
** "Workers at rally face reprimands", The Vancouver Sun, August 11, 1983, p. A1


39. Shelley Banks and Michael Bocking, "Protest rally over the budget biggest to date", The Vancouver Sun, August 11, 1983,
40. The employees' actions were judged not to violate the Labour Code for, as the Labour Relations Board put it,:

... Their participation in Operation Solidarity, in general, and in the rally in particular, is not directed at the Employer at all. Furthermore, while the Unions did not deny the facts that some of the proposed legislation will have serious consequences for their members in collective bargaining related matters, and that there are aspects of the legislation that they would like to see withdrawn or modified, the evidence by witnesses for both Unions that even if the Public Sector Restraint Act and the Compensation Stabilization program legislation were withdrawn the job action would still take place was not challenged. ... What they are protesting is a "package" of legislation which they do not want Government to pass. The merits of that legislation and the merits of the Unions' opposition to the legislation are not matters with which this Board can be concerned.

*. As quoted in Letter to L. Kuehn from David Yorke, Staff Lawyer, Bargaining Division, B.C. Teachers Federation, p. 3 in Larry Kuehn Papers, Box 4, File 9

41. Bob Sarti, "Solidarity sets deadline", The Vancouver Sun, October 17, 1983, p. A16

42. B.C. Fed, Operation Solidarity Report, pp. 22-23


44. Aranka E. Kovacs, "The Philosophy of the Canadian Labour Movement" in Richard U. Miller and Fraser Isbester (eds.), Canadian Labour in Transition (Scarborough, Ontario: Prentice-Hall of Canada, Ltd., 1971) p. 120

45. Larry Kuehn, "BC Teachers Strengthen the Labour Movement", Canadian Dimension, Vol. 18, No. 1, March 1984, p. 10

In a similar vein another BCTF official, R.M. Buzza, wrote the following to a colleague:
This broad-based coalition is gaining support and momentum daily, and represents a phenomenon unlike any in the history of the province. It is ironic that the Social Credit government has done more in two months to bring diverse groups together (in one sense) than has been achieved in 50 years.*

* Letter from R.M. Buzzo, Executive Director BCTF to Norman Goble, Secretary General, World Confederation of Organizations of the Teaching Profession, Switzerland, p. 2 in Larry Kuehn Papers, Box 4, File 7


47. Ibid., pp. 21-22

48. James Matkin of the Employer's Council voiced the concern of the business community when he noted that the difficulty in reaching an agreement between the government and Operation Solidarity was because:

... politics has become inextricably mixed up with labor relations, in a way we've never seen in Canada before. Here, you've got a new phenomenon that has political demands but isn't part of the legitimate Opposition or part of the legitimate political process.

When it makes a political demand, there is no way of dealing with it. All this political demand does is ensure the failure of industrial relations bargaining. That's exactly my experience so far.

... If the tactic of political strikes succeeds, then we have sown the seeds of a very unfortunate precedent. Who knows what the next issue will be, but you can be certain once in this field there's success, it will be applied again and again.

... There's been lots of political confusion in British Columbia, that isn't new. What's new is Operation Solidarity and the threat of major political strikes to solve legal problems.*

* As quoted in "'Politics have become inextricably mixed with labour relations', The Financial Post, November 19, 1983, p. 5. See also: Ian Mulgrew, "B.C. conflict turns bitter as labor unrest spreads", The Globe and Mail,


50. "Kube threatens to raise the ante in second phase", The Vancouver Sun, November 4, 1983, p. A1


56. Jack Gerow, the head of the Hospital Employees Union, articulated what would bring the private sector unions into the strike. He noted that:

... in terms of the private sector unions they are saying when you (public sector unions) get serious come and see us. Getting serious to the private sector unions means going out on strike, having the strike declared illegal, and union leaders being incarcerated. If we find members of Operation Solidarity taking part in a legal strike and the Government making that an illegal strike, then you will find a lot of people identifying with that.*

*. As quoted in Minutes, Public Sector Collective Bargaining Committee Meeting, Vancouver, September 7, 1983, p. 3 in Larry Kuehn Papers, Box 5, File 17

57. Barbara McLintock, "Strike pressure rising", The Vancouver Province, November 6, 1983, p. 27, and "BCGEU kicks off strike as compromise bid fails", The Vancouver Sun, November 1, 1983, p. A2
Larry Kuehn made the following assessment of the Socreds' threats against teachers:

The strategy of the government all through this has been to try to split one group off, to try to make it difficult for us to maintain unity. There has been an unprecedented kind of unity in this province, and I think this is another example of the government trying to drive those wedges, to frighten people and to make it difficult for them to work together.*

*. Teletype message to BCTF Headquarters in Vancouver in Larry Kuehn Papers, Box 4, File 10

58. For instance the government's chief negotiator Norman Spector charged that:

Government negotiators have spent two weeks at attempting to arrive at an agreement with government employees on appropriate language that would permit exemption from Bill 3. ... During the course of the past several days, it has become apparent to us that there is, in fact, a hidden agenda on the part of the union negotiators, namely to use the prospect of a teachers' strike and general chaos to wring contract concessions out of the government, independent of Bill 3. Included in these contract concessions are demands for five-per-cent salary increases as well as other benefit increases in a year when other groups in both the public and private sectors are settling, as you know, at much lower levels. ...

Cliff Andstein of the BCGEU countered this charge. As he noted:

I would categorically deny having ever implied or stated that if there was no settlement to our collective agreement there would be a general strike. The escalation of the strike is related to Bill 3 and the attempts of the government in that area. ... It's been clear from day one if there was no agreement by (today) on the layoff and recall issue with us and the other unions then the escalation was going ahead.*

*. As quoted in "They beg to differ", The Vancouver Sun, November 8, 1983, p. A11
The BCGEU's Cliff Andstein reacted in this way to the Socreds' action on the model Bill 3 agreement.

The teachers did reach an exemption on Bill 3 and it was overruled by the government. An absolutely incredible action, obviously coming from an agency that has no intention of reaching a settlement or of averting the escalation of this strike. ...

* As quoted in "They beg to differ", The Vancouver Sun, November 8, 1983, p. A11

For example, one telegram noted with concern that:

Our district has many teachers torn by the conflict between [a] "conscientious objector" mind and a "lawful duty" conscience. The number of teachers this affects in our district appears to me to be considerably higher than one would expect from a 40 per cent rejection vote.*

* Telegram from Gary Begin, Chairman, Trustee, Burnaby School Board to BCTF Offices Vancouver, November 7, 1983 in Larry Kuehn Papers, Box 4, File 10
engage in work actions, is perhaps best given its significance in the following *Vancouver Sun* editorial statement:

> Whether deliberately or misled, the teachers have changed the face of labor relations in British Columbia. It will never be the same for them, or for many British Columbians.

...

...[For the decision to strike, the teachers have become caught up in the web of British Columbia trade union militant politics. Never again can teachers say they don't really belong to a union.*]

* Editorial, "Law in class", *The Vancouver Sun*, November 8, 1983, p. A4

67. Comments by Larry Kuehn on "Union Made", Co-op Radio, Vancouver, November 9, 1983

In an expanded statement to teachers drawn up on October 29 the executive of the BCTF adopted the following objectives for a resolution to the strike:

An agreement which achieves a satisfactory resolution on the following:

1. A limit is placed on the arbitrary powers granted to school boards by Bill 3, through an exclusion agreement that guarantees due process for teachers in layoffs or terminations.

2. The provincial government commits itself to a level of funding that is adequate to at least maintain the current levels of educational service during the term of Bill 6 (1984-1986).

3. Restoration of collective bargaining rights for all teachers, including principals, vice-principals and other teachers with supervisory responsibilities.

4. A halt to the centralization of decision-making in education.

5. Access to post-secondary education for all qualified students.

6. Removing the limitations on human rights and democratic and social rights created by other parts of the government's current legislative package and budget.

Together we are strong. And in our relationship with Solidarity our strength is vastly enhanced.
Through this relationship we have a chance of making gains in terms of social and political rights that we could never hope to achieve on our own.*

Between the end of October and the beginning of the teachers' actions just over a week later, the list of demands sufficient to come to an agreement was greatly reduced. Many of the broad "political" demands, the issues of greatest concern to the Coalition, vanished from the agenda.

*. Letter from Larry Kuehn (BCTF) to Colleagues, November 1, 1983, p. 2 in Larry Kuehn Papers, Box 4, File 10

68. For instance, provincial government workers from across Canada contributed $3 million dollars to the Operation Solidarity fund, the greatest single contribution for strike support in Canadian history.*


69. Rod Mickleburgh, "Crisis Snowballs", The Vancouver Province, November 10, 1983, p. 3

70. "Labour turns up the heat with court walkout plan", The Vancouver Sun, Final Edition, November 9, 1983, p. A1


72. Terry Glavin, "Munro defends deal with Bennett", The Vancouver Sun, November 17, 1983, p. A15

Mike Kramer confirmed the story that the basic deal which led to the termination of the strike was struck two days before the Kelowna flight. A deal was worked out during "two, hard-knocking sessions" between Munro, Kramer, Norman Spector and Labour Relations Board chairman Stephen Kelleher.* For a somewhat different interpretation of the settlement events see Mason, "Weekend in Kelowna", pp. 20-28.

*. Rod Mickleburgh, "Kramer not apologizing", The Vancouver Province, February 8, 1984, p. 22


74. See: Rod Mickleburg and Eli Sopow, "Gov't bid act of war to Kuehn", The Vancouver Province, December 1, 1983, p. 3; "Teacher layoffs spark new strike threat", The Vancouver

75. Art Gruntman of the Canadian Paper Workers Union argued Operation Solidarity's case for not imposing rigid demands on the government concerning the social issues. As he asserted: "We are not going to say you have to do precisely this on human rights or tenant's rights. That would be dumb. There is no government that would be prepared to capitulate, and we don't expect them to."*

* As quoted in Jane O'Hara, "British Columbia Divided", Maclean's, November 21, 1983, p. 19

76. Kuehn, "BC Teachers Strengthen the Labour Movement", p. 11

77. The significance of the difference between the organizational structures of unions and community groups has been pointed out by Art Kube* and Clay Perry** who was an IWA union representative in the Solidarity Coalition. Additionally, an unidentified union leader made the following revealing comment to Rod Mickleburgh:

> We need to bear in mind that we operate with a structural approach, whereas groups in the coalition are voluntary in nature and they can't be disciplined in the same way.

> But I think the coalition groups have to recognize that we also provide lots of resources, backbone and clout.

> And decisions can't be made in an endless process of meetings. If you're too ultra-democratic, then you end up never being able to make the next move.***

* Personal notes from Art Kube's comments during the "Labour Small Group Discussion" at The People's Report: A Social Alternative for B.C. Conference, University of British Columbia, Vancouver, May 10-12, 1985


*** Rod Mickleburgh, "Making eye contact", The Vancouver Province, November 23, 1983, p. 55

78. Art Kube, "Operation Solidarity/Solidarity Coalition ---
Common Cause" in Peter Findlay (ed.), *British Columbia's Operation Solidarity: What Can We Learn?* (Ottawa: Canadian Centre for Policy Alternatives, 1984) p. 9


This position on the trade unions control over the calling and calling-off of the strike was supported by both Art Kube and Jack Munro. Munro flatly stated that: "It's not the coalitions' decision whether or not 48,000 (IWA members) are going out."*


80. Rod Mickleburgh interview with Jack Munro, 'Jack's back 'in real world'", *The Vancouver Province*, July 22, 1984, p. 19

In another interview, Munro contended that the Kelowna accord was:

... an attempt to cool out an explosive situation in the hopes that common sense would prevail and that cooperation would be possible. ...

... We were headed for a major disaster. The trade union movement would have blown itself apart and there was all kinds of shrapnel around that would have affected people.

It was basically out of control.*

* As quoted in Peter Comparelli, "Munro says Socred policies make workers scapegoats", *The Vancouver Sun*, May 22, 1985, B11

81. James Bagnall of *The Financial Post* was assured that the government was convinced that the walkouts would continue to escalate.*


A poll conducted in November 1983 indicated that 53 per cent of British Columbian's believed that the Socreds' cuts were too harsh, 39 per cent felt they were about right, and 9 per cent not strong enough.* However, when it came to personal

386.
support for staying off the job only 19.7 per cent said they would, while fully 45.7 per cent rejected such action.**

*. "Cuts too stiff --- poll", The Vancouver Sun, November 14, 1983, p. A8


83. There is some debate within the Operation Solidarity leadership as to whether the strike was beginning to weaken or if it was holding and growing. Jack Munro, for instance, argued that the strike was beginning to fall apart. "Eighteen school districts were going back to work .... The ferry workers told us, 'Only four hours', and then they were going back to work."* Art Kube also maintained that support was beginning to crumble. He noted:

I spent all day on the phone that Sunday. Simon Fraser University people were going back on Monday. Teachers were going back in districts where there were injunctions, and there were other areas also going back.

If that third wave had gone, a good number of people would have got hurt.**

In terms of the teachers, there is evidence that there were a number of districts where support was tenuous, the Okanagan and Abbotsford for example,*** and any lengthy defiance of court injunctions seemed unlikely. However, others like Mike Kramer and Larry Kuehn insisted that the strike was holding.****

*. As quoted in Rod Mickleburgh, "Jack's back 'in real world'", p. 19

**. As quoted in Rod Mickleburgh, "Munro flight 'mistake'", The Vancouver Province, February 1, 1984, p. 20

***. See Larry Kuehn Papers Box 4, Files 7 and 8


84. Bob White, Hard Bargains: My Life on the Line (Toronto: McClelland and Stewart, 1987) p. 49. This question was originally posed by Maurice Thorez in 1936 in response to the strike wave in France which accompanied the election of the Popular Front Government.

85. As quoted in Rod Mickleburgh, "Kramer not apologizing", The
86. Lower Mainland Solidarity Coalition, Resolution on Objectives and Action, November 20, 1983 in Solidarity Coalition Files, University of British Columbia Special Collections, Vancouver, Box 1, File 5

87. The importance of the coalition to the unions was expressed in this way in a Solidarity document:

We are a mass popular movement, and must Integrate our component parts more fully. In particular, if the union component wants to be in a position to win a mass strike, it needs the fullest possible support and participation of the community groups. Conversely, the non-union groups absolutely rely on the support of Operation Solidarity. (Emphasis in the original)*


88. See for instance B.C. Fed, Operation Solidarity Report, pp. 36-37

89. Kube, "Operation Solidarity/Solidarity Coalition", p. 10

90. Comments made by Art Kube at a meeting of the Lower Mainland Solidarity Coalition, November 14, 1983, from personal notes.

91. Bryan Palmer has argued that: "The road to Kelowna was paved with labour bureaucrats and mandarins scurrying for a 'resolution'."*


93. Minutes, Provincial Solidarity Assembly Meeting, IWA Hall, Vancouver, November 3, 1983, p. 1 in Larry Kuehn Papers, Box 5, File 10

94. As quoted in Rod Mickleburgh, "Kube takes charge", The Vancouver Province, December 5, 1983, p. 4
95. As quoted in Galvin, "Kube booed at meeting", p. A2

96. Minutes of the Solidarity Coalition Steering Committee Meeting, November 13, 1983, p. 1 in Solidarity Coalition Files, Box 1, File 5. See also: Minutes of the Solidarity Coalition Steering Committee Meeting, November 17, 1983 in Solidarity Coalition Files, Box 1, File 5; Glavin, "Kube booed at meeting", pp. A1-2; and Keith Baldrey, "Coalition upset", Solidarity Times, Vol. 1, No. 4, November 16, 1983, p. 3.

97. LMSC, Resolution on Objectives and Action

98. Rod Mickleburgh, "Solidarity quietly hangs together", The Vancouver Province, July 1, 1984, p. 19


100. Kube, "Operation Solidarity/Solidarity Coalition", p. 10


104. See Correspondence between Art Kube, President of the B.C. Federation of Labour and Jess Succamore, President of the Confederation of Canadian Unions in Larry Kuehn Papers, Box 4, File 9, and Terry Glavin, "Union-raiding rift divides Solidarity" The Vancouver Sun, Final Edition, November 2, 1983, p. B1


109. As quoted in Mickleburgh, "Jack's Back 'in real world'”, p. 19


111. Doug Ward and Dave Margoshes, "Munro beaten in Fed fight", The Vancouver Sun, November 30, 1984, p. 1


113. At the 1984 B.C. Federation of Labour convention Cliff Andstein of the BCGEU made the following plea to the delegates: "We have to reject the business unionism of some leaders and begin making social issues bargaining demands."*

* As quoted in "Fed ends convention with a militant shift", The Vancouver Sun, December 1, 1984, p. 18

114. Moreover, it has been argued that one of the most immediate consequences of the Solidarity experience has been its effect upon shifting the political direction of B.C. labour. The labour leadership in the B.C. Fed has moved from a "centre right" to a "centre left" orientation.*


116. As quoted in Mickleburgh, "Solidarity quietly hangs together", p. 19


118. Piven and Cloward, Poor People's Movements, p. xv

119. Frances Fox Piven and Richard A. Cloward, The New Class
120. For instance a University of Manitoba poll in 1985 found that 45.7 per cent of B.C. electors felt that Social Credit was doing "a bad job of governing the province." The survey also showed that the Social Credit was trailing the NDP opposition by an 11 percentage point margin in early 1985.*

*. Michael Tenszen, "2 governments are unpopular: Western poll", The Globe and Mail, April 3, 1985, p. 5

121. B.C. Finance Minister Hugh Curtis used this phrase to describe Operation Solidarity.*

*. See George Froehlich, "Restraint myths laid to critics", The Vancouver Sun, November 16, 1983, p. B3

122. Brian R.D. Smith, Attorney General (letter to the editor), "Exaggerated attention encourages disrespect", The Vancouver Sun, September 17, 1984, p. 5

123. As quoted in Doug Ward, "Skelly stresses Solidarity link", The Vancouver Sun, June 19, 1984, p. 16

124. For instance, this position was taken by Michael Walker.*

Chapter 7

The Demise of the Keynesian Industrial Relations System in British Columbia

Introduction

The B.C. Social Credit government's July 1983 legislation constituted the first phase of a neo-conservative policy agenda in the province. It represented a broadly-based attack upon high profile welfare state targets and the rights of trade unionists in the public sector. But the bulk of the B.C. labour movement within the private sector remained largely unaffected by the actions. This state of affairs was to change, however, when the government initiated the second stage of its ideologically inspired offensive. This time, the campaign was directed squarely at one enemy, the organized labour movement in B.C. It began in earnest with the first substantial amendments to the B.C. Labour Code in 1984, and climaxed with William Vander Zalm's sweeping 1987 overhaul of the labour relations system in the province. The fundamental redrawing of the industrial relations structure which had evolved since the 1940's into one of the most enlightened systems in Canada, marks a profound policy rupture with the past. The erection and fostering of a system of industrial relations which gave recognition to workers' collective power and rights were major planks within the Keynesian social contract.
A system of industrial relations concerns the "pattern of rules and relationships which have been developed by a society to get its work done." Key elements of an industrial relations system are the laws which develop around the work relationship and their administration.\(^1\) The problem of maintaining, organizing and motivating a labour force is central to all societies, but has become a particularly complex task for capitalist societies. As capitalism moved from largely unorganized to welfare state forms, the system of industrial relations underwent considerable alterations to adjust to the changing industrial, social and political climate. Within the Canadian context, Craig Riddell suggests that there have been three identifiable phases to legislation regulating the labour process.

In the first period, which ended in the 1870's, collective bargaining was blocked by a legal system which viewed worker organization and collective action as acts of criminal conspiracy. This was followed by a period where, Riddell informs us, "the law was 'neutral' with respect to collective bargaining." The formation of unions no longer was an illegal activity. Finally, beginning during the Second World War, a system of labour law was developed which actively encouraged trade union formation and collective bargaining.\(^2\)

This liberal categorization of the development of labour legislation is problematic with regard to the role which it assigns to the state in fostering the organization of workers into trade unions to encourage collective bargaining in the later two
periods. It does, however, portray the changing and more favourable legal atmosphere in which workers were able to operate as the 20th century progressed.

As a corrective to Riddell, a state-sponsored industrial relations system must be viewed as a method of job regulation centred around "the maintenance of stability and regularity in industry." It involves the question of how conflict within the sphere of paid labour can be "contained and controlled"; it concerns the "problem of order". Using this criterion, Richard Hyman appropriately defines industrial relations as the "processes of control over work relations, and among these processes, those involving collective worker organization and action are of particular concern."(3) In a similar vein, H.D. Woods contends that: "The industrial relations system may be described as the complex of market and institutional arrangements, private and public, which society permits, encourages or establishes to handle superior-subordinate relationships growing out of employment and related activities."(4) The preceding definitions clearly locate the industrial relations system at the centre of the wage relationship under capitalism; a relationship characterized by an unequal balance of forces. The role of the capitalist state in this process can not be viewed as that of a detached bystander or a neutral agent awaiting capture by one grouping or another. The capitalist state is vitally involved in reproducing bourgeois relationships, although it exercises a relative autonomy in carrying out that task. However, the form of the bargaining for
the terms of the wage labour relationship varies according to the changing nature of capitalism and the shifting balance of class forces in society.

The Rise of the Keynesian Industrial Relations System

In Canada, industrial relations is a policy area in which both the federal and provincial governments enjoy jurisdiction. Until 1925, when the Judicial Committee of the British Privy Council ruled in the Snider case that labour relations was a contractual matter, this had been regarded as a federal responsibility. With the 1925 decision, however, the "property and civil rights" clause of Section 92 of the BNA Act held priority in most industrial relations cases. "The right to enter into contracts is a civil right, and since labour laws impose certain restrictions on contracts between employers and employees, they fall within provincial authority as property and civil rights legislation."(5) The federal government retained legislative jurisdiction over business operations regarded as nationally important enough to be listed as areas of federal responsibility under Section 91 of the BNA Act, but this composed only about 5% of the workforce. Consequently, the ten provincial governments have been left with legislative responsibility for 95% of labour force contracts.(6) This has made the Canadian collective bargaining structure "probably the most decentralized of any Western economy", limiting the effect of national policy on labour relations.(7) Provincial
governments have been free to take a leading role in forging new directions in labour law. But, while constitutionally such freedom of action has long existed, it was the influence of federal policy which held sway for most of the 20th century. For an evaluation of the evolution of industrial relations policy as it pertains to British Columbia, we must briefly look back to the turn of the century.

In the nineteenth century, the employment contract was regarded as a master-servant relationship. Both employers and the courts viewed attempts by workers to organize for the purpose of improving their bargaining power as instances of the creation of a "power block" restraining the free flow of trade. In a more laissez-faire approach, the employment contract was regarded as an individual one between employer and employee. To recognize labour as a collective mass threatened the employers' control over both the production process and the supply of labour. Protection of private property at all costs was the guiding philosophy.

Labour's right to organize into trade unions was not legally recognized in Canada until the passage of the Trade Unions Act by the federal Parliament in 1872. This legislation recognized unions as voluntary associations not subject to the charge of criminal conspiracy. However, the changes in the legal code did not authorize labour to use its collective strength through the strike and other means to pressure employers to improve wages and working conditions. By the early 1900s, with an increase in the Canadian labour force, and more frequent labour disruption, additional
legislative measures became necessary. Most of the strike activity which alarmed the Canadian state originated in the west, especially in the B.C. railway and resource industries. The most significant piece of federal legislation enacted to control this situation was the 1907 Industrial Disputes Investigation Act (IDIA). The principles underlying this act served as the first major state initiative towards developing a comprehensive industrial relations system in Canada. (10) This act was to have a lasting effect on Canadian industrial relations.

The Canadian state demonstrated a special concern for the so-called "essential industries", relating to "public interest", and this has remained a central tenet of industrial relations policy to this day. (11) The IDIA designated a broad range of crucial enterprises, including public utilities, transportation and mining. The act prescribed what Clare Pentland called a "distinctive Canadian formula" for dispute resolution:

... compulsory conciliation first by a conciliation officer and then by a tripartite board which reports its recommended terms of settlement: prohibition of strike or lockout during the period of conciliation [the cooling-off period] but freedom after the report has been made to strike or lockout. (12)

Dispute resolution, prevention of strikes, and avoidance of public disturbances were the aim of the legislation. The Canadian state recognized that industrial peace could not be secured via the regular court system. This approach contrasted sharply with American labour law at this time which stressed the protection of the "rights, liberties and prerogatives" of the employer (13) to
wage industrial war against unions through court injunctions, lockouts and other strike breaking measures. The Canadian state's intervention into "essential disputes" constituted a partial abandonment of the workings of the 'free' market for the purpose of rescuing "the market as a whole from the spill-over effects of unresolved conflict."(14)

It has been argued that the staples based nature of the Canadian economy, which is marked by large-scale production and the export of semi-produced and raw materials, was especially vulnerable to disruption. This led to, as Jamieson put it, "an exaggerated view of the damage that strikes may bring."(15) Consequently, Canadian governments, as in other staples-based societies such as Australia, were forced to become early experimenters in industrial relations.(16) However, as Bob Russell observed, the IDIA served not only as a state instrument for fostering private capital accumulation, but contained an important element of legitimation since it at least recognized and gave representation to labour within the production process.(17) The state played an active but certainly not a neutral role in the process.

The passage of the Wagner Act of 1935 in the United States opened up a dynamic process of industrial relations reform in North America. In the American context, labour historian Irving Bernstein labelled the changes to the industrial relations system, ushered in by the New Deal, as a virtual 'revolution' in labour law. For the first time, America's 'ruling class' recognized
organized labour as a legitimate and vital partner in the modern capitalist system. No longer would, or could, the struggle between management and labour be played out primarily via strong-arm methods of employers and the state, against the organizing and democratic aspirations of the labour movement.

The changing 'liberal society' of North America demanded that a new employer-employee relationship be developed. The concepts of equity and community interest now required that labour be given 'a place in the sun'. It was important that the state demonstrate that justice was, or at least seemed to be, done. Liberal theory was forced to move away from a strict doctrine of "possessive individualism" toward recognition and endorsement of "collective rights" as well. In labour law, this covered one's right to engage in activities for mutual aid and/or protection, or, in labour's term, made 'solidarity' legitimate.

The Wagner Act stipulated that employees had the right "to organize and bargain collectively through representatives freely chosen by a majority and engage in concerted activities for their mutual aid and protection." It prohibited employer interference with these rights, and established an independent Board empowered with extensive legal authority to administer the Act. Further, employers' freedom to utilize court injunctions against unions was
sharply curtailed by the Board. Author of the legislation, Senator Robert Wagner, viewed it as an instrument that would democratize and rationalize industrial relations, thereby benefitting the economy. The preamble to the statute maintained that the employer's refusal to collectively bargain led to industrial unrest which interfered with the free flow of commerce, and that the inequality in bargaining power resulted in wage depression which intensified business depressions.(22) Consequently, the American state "assumed a special role in attempting to influence and, whenever possible, control the subsequent course of collective bargaining."(23) The Wagner Act should be viewed as part of the peace formula with labour, and as a Keynesian-style policy designed to bring a measure of harmony and rationalization to the modern capitalist economy.

This did not mean that the Wagner Act would bring an end to labour-management struggle. On the contrary, liberalism came to accept industrial conflict as an inevitable fact of modern life. Collective bargaining is an "adversary concept" in which the "underlying assumption has been that the best way to resolve differences between unions and employers is through trial by combat, and that the attendant disruptions are a small price to pay for bargaining freedom."(24) Collective bargaining sought conflict resolution "through conflict, or at least through the threat of conflict." Strikes and lockouts are apparently costly but their effects may be more healthy and less harmful to the economy in the longer term because they provide an outlet for each
of the contending parties to air and contain their differences. With the acceptance of this fact, the liberal state, Karl E. Klare notes, sought to create a safe arena in which to stage class conflict and to develop institutions to devise mechanisms for conflict resolution.

In Canada, Justice I.C. Rand, in his famous 1946 ruling on union security, revealed the new logic which was to guide labour relations. As he wrote:

... the social desirability of the organization of workers and of collective bargaining where employees seek them has been written into laws. ... The corollary from it is that labour unions should become strong in order to carry on the functions for which they are intended. This is machinery devised to adjust, toward an increasing harmony, the interests of capital, labour and the public in the production of goods and services ...

In industry, capital must in the long run be looked upon as occupying a dominant position. ...

... [The power of organized labour, the necessary co-partner of capital, must be available to redress the balance of what is called social justice; the just protection of all interests is an activity which the social order approves and encourages.]

As he noted, labour unions need "to become strong" to redress the lopsided balance of power that favours capital. They could thus carry out their social function of co-partner to capital. A more favourable balance meant the goals of social harmony and the "public interest" would be more attainable. On the surface, the endorsement of free collective bargaining suggests that the balance of power between capital and labour was to be more equal and that the role of the state was to be one of 'impartial umpire'. But Rand explicitly noted that capital had to retain the
upper hand, although labour must be strengthened in its position of junior partner. It was the state's role to preserve this unequal balance. (28)

Liberal/Keynesian labour law embodies both "repressive and democratic impulses" which are evident in the three core elements which comprise its collective bargaining theory. Firstly, the law both encourages and yet contains the class conflict. It authorizes worker organization and the right to strike but at the same time regulates this action. There are legitimate channels which workers must follow when engaging in economic conflict. Secondly, 'industrial democracy' is given limited sanction. The legitimate concerns of workers are centred within and, virtually restricted to, the terms of the sale of their labour power, rather than questions around workplace organization. Lastly, the law is set up so as to promote and institutionalize the labour-management relationship. This serves to distance the rank-and-file from the union's operation. (29)

British Columbia's liberalization of its industrial relations system was slower and more prolonged than in the American case. Pressured by the example of the Wagner Act and labour, the reform-minded Liberal administration of Pattullo did, in 1937, establish the Industrial Conciliation and Arbitration Act. This legislation blended aspects of the IDIA and Wagner Act. From Wagner it guaranteed, or at least proclaimed, the employees' right to organize and bargain collectively, but, in the spirit of previous Canadian federal legislation, it limited this right to
committees of employees, not to unions, and imposed restrictions on the freedom to strike and lock out. By failing to stipulate that employees be represented by organizations of their own choosing, the legislation encouraged the growth of company unions, although membership in American-based unions in the province rose. The Act did not satisfy B.C. labour and fell well short of a true liberalization of the law.

It was the federal government in 1944, using its wide war-time powers, which initiated the process of the Wagnerization of Canadian labour law. Order in Council P.C. 1003 established a new national labour code which incorporated the major principles of the Wagner Act. The right to organize a union of the employees' own choosing and to bargain collectively was recognized, with a procedure for state certification and compulsory recognition of such unions. Certified trade unions were recognized as the exclusive bargaining agent, company unions were outlawed and a list of unfair labour practices, with methods of remedy, were articulated. To enforce the order, a labour relations board was established which largely replaced the court system.

However, in contrast to the American model, the IDIA influence was also present. This was revealed in the inclusion of provisions for compulsory conciliation before legal strikes, and the banning of strikes or lockouts during the tenure of an agreement as the contract itself became legally enforceable. Canada's industrial relations environment was much more heavily regulated than its American counterpart. This was another proof
that the Canadian state was primarily concerned with preventing industrial disruption. (32) Another aspect which marked P.C. 1003 from the Wagner Act was the lack of a statement of purpose which proclaimed that collective bargaining could benefit a sound economic policy. But while an explicit statement of such economic benefits is absent, other government policy papers of the time, such as the 1945 White Paper on Employment and Income, establish the Keynesian rationale for P.C. 1003.

Labour was pleased with the new policy; it achieved for the first time clear legal status and protection regarding organizing and collective bargaining. The measure extended democracy to the shop floor to some degree. (33) Labour sought, after WWII, the retention of the principle of P.C. 1003. Panitch and Swartz claim that the "era of free collective bargaining" was launched with P.C. 1003 because democracy was expanded in Canada to include collective bargaining. There was a movement from coercion to the rule of law in the work place, a law based upon consent. And it was the post-war economic boom that permitted the "ideology of the era of free collective bargaining" to take root. (34)

In 1948, jurisdiction over labour matters was returned to the provinces. British Columbia was the first of the provinces to follow the central government's lead by enacting the British Columbia Industrial Conciliation and Arbitration Act. The key provisions of P.C. 1003 were included in the statute but, in addition, several clauses to further curb the unions' ability to engage in strikes were added. For instance, government-supervised
pre-strike votes were imposed to ascertain the "true" will of the employees, and the B.C. Labour Relations Board could call another secret ballot whenever a new employer offer was made. (35) The sanctions against unauthorized strikes were also stiffened; offending unions could be decertified and the Board could begin a strike settlement procedure exclusive of the union in question. (36) The greater restrictions upon labour followed the post-war strike wave that swept the nation, and were inspired by the American Taft-Hartley Act of 1947 which sharply curtailed many of the union rights Americans won under the Wagner Act. However, B.C. did not go nearly as far in restraining union power as did Taft-Hartley or some of the 'right-to-work' laws enacted in a number of American states. (37)

With the election of W.A.C. Bennett's Social Credit government in 1952, there was a continuation in the drift towards placing restrictions on unions' freedom to strike. "The prevailing opinion within government ranks", according to David Mitchell, "was that unions were fine so long as they did not get in the way of industry or deter the surge of development." (38) The Socreds viewed strikes as a threat to their drive to open up the B.C. resource frontier to development and more generally to a rapidly expanding export market. The staples-based nature of the economy required that special controls be placed on the strike activity.

The W.A.C. Bennett administration's amendments of labour legislation, especially in 1954 and 1959, discouraged industrial disruption by allowing employers greater access to court
injunctions against militant unions, and the centering of authority within Cabinet over the Labour Relations Board to check strikes, boycotts and secondary picketing. The 'hands on' policy of Cabinet tended to politicize the collective bargaining atmosphere in B.C. and help to mobilize an already militantly charged and politically conscious union movement against the government. This process was enhanced further in 1961 when the Social Credit government passed Bill 42 which prohibited the use of payroll deductions for political purposes. In 1961 the newly formed New Democratic Party had affiliated to the Canadian Labour Congress. According to empirical evidence, the government's actions tended to have little effect on the level of strikes in the province. Bennett, in directing his populist appeals at individual workers rather than the union leadership, increased support for his party.

Industrial relations were in chaos by 1968 with the passing of the Mediation Commission Act. The statute provided for even more flexible avenues of dispute resolution arising from collective bargaining but it also involved "drastic provisions for government intervention and control in cases officially interpreted as having a special 'public interest'." A new tripartite Mediation Commission had the authority to appoint mediation officers to intercede in disputes if requested by one of the parties. But, in the exceptional case of disputes which threatened the "public interest or welfare", the commission could unilaterally intervene, and if the parties still could not agree, the commission would
impose a settlement. Since such 'exceptional' circumstances were not clearly defined in the legislation, any industry or trade in the province was potentially subject to compulsory arbitration. (41)

While the major business representatives in B.C. voiced their support for the measure,8 labour unanimously and vehemently denounced the move as an attack on the sanctity of collective bargaining. According to Joseph Weiler, one of the major problems with the Act was that it had been "introduced into the legislature without any warning or consultation with the labour movement." (42) The government had failed to adequately explain the legislation or elicit meaningful trade union input into the policy process. The road to confrontation had been prepared by the government's own aloof handling of the matter. Labour launched an effective boycott of the commission which resulted in its emasculation. Tensions rose to such a level that, in 1972 when a group of trade unionists picketing a Vancouver hotel where Cabinet was to meet confronted the politicians, violence broke out, resulting in bodily harm to several Ministers. (43) The failure of the Mediation Commission Act to tame the turbulent B.C. industrial relations scene contributed to the defeat of the Social Credit government in 1972.

In assessing the industrial relations policy of the W.A.C. Bennett administration, it is safe to say that it failed to mature along the lines outlined by the liberal/Keynesian strategists. The former chairman of the B.C. Labour Relations Board (LRB), Paul Weiler, observed that during the 1950s and 60s the industrial
relations atmosphere in B.C. was "the most turbulent on the
continent, perhaps even the world. In 1972, with a work force of
less than one million, nearly two and one-half million man-days of
work were lost due to strikes, a ratio I have never known to be
attained elsewhere."(44) "Simply put," historian Alan Artibise
concludes, "the labour relations system [in B.C.] failed to meet
the challenges of the post-war era."(45) Canadian governments had
promised in the 1940s that labour would become an active
participant in policy decisions concerning its welfare, but this
had broken down in B.C. by the early 1970s. In 1968, organized
labour formally withdrew its cooperation. The Social Credit
government had stretched to the limits the post-war consensus with
labour.

But the industrial relations policy of Social Credit was not
directed at destroying the labour movement in the province.
(During the party's tenure of office from 1952 to 1972, as the
economy expanded, so did union membership, from 170,036 to 332,091
members.(46)) Rather, their policy was aimed, in the spirit of
IDIA, at checking strike activity. The manner in which this was
pursued, however, resulted in a breach of the endorsement of free
collective bargaining. Social Credit was never able to fully
accept the terms of the labour side of the Keynesian policy
formula.

This changed in 1972 with the election of an NDP government in
B.C., beginning a "new era in labour relations". The NDP would
foster a labour relations philosophy aimed at reversing decades of
polarization. Their philosophy was not radical in nature but rather an extension of liberal/Keynesian labour law ideology. In setting about its changes to the industrial relations system, the NDP government established an informal commission of inquiry composed of three advisors who were to travel the province for a year soliciting input from all interested parties. The report issued by the commissioners formed the basis for a new labour law --- the Labour Code of British Columbia which came into effect in 1974.

In contrast to W.A.C. Bennett's unilateral approach, the NDP was able through its participatory process "to display genuine sensitivity to the entire industrial relations community." Both management and labour were informed and consulted as the code evolved, and, consequently, the resulting statute was no surprise. The Code incorporated the key interests of both labour and management. For unions there was an "explicit endorsement of the value of collective bargaining", while employers were offered some guarantee of labour peace and effective controls over illegal work stoppages. It is Paul Weiler's contention that the Code was crafted with two central parts which were crucial for the maintenance of the balance of power between employers and workers.

One is the use of the law to facilitate the growth of union representation of unorganized workers. The other is the use of the law to limit the exercise of union economic weapons (the strike and the picket line) once a collective bargaining relationship has become established.
One of the features of the post-war collective bargaining model in Canada was the shifting of the primary authority over the enforcement of labour law from the regular court system to administrative tribunals. Policy makers were concerned with finding avenues which would result in "practical and workable resolutions of conflicts between employers and employees." Consequently, the tribunals were staffed with members of the industrial relations community who brought a more sympathetic attitude to each position, and a problem solving approach to industrial disputes. (51) "The preference for administrative tribunals", as Joseph Weiler observes, "was based on the need for a new industrial jurisprudence applying the legal regime of statues, customs and contractual relations emanating from the world of labour relations." (52)

When the regular court system has been left as an open and readily available avenue, employers have used it, not for the purpose of guaranteeing their "violated" rights, but rather to gain an economic and strategic advantage over unions during industrial struggles. In B.C. where the Labour Relations Board failed to realize its intended purpose under W.A.C. Bennett, the court system was frequently used by employers to restrain workers' power. This successful judicial manipulation by employers lost the courts their moral authority with labour. As unions' respect for the rule of industrial relations law faded, labour turned to extra-legal resistance. A highly charged and volatile labour relations climate resulted. (53)
Court decisions create a winner and a loser; they constitute a zero-sum game. But the aspect of industrial relations disputes which gives them a special character is that they occur "within the context of an ongoing relationship"(54) and, given an expanding economy, a zero-sum solution to conflicts need not be imposed; a suitable compromise can be arranged. Thus, conflicts need to be resolved so as to address the underlying causes of the dispute and foster a healthy future relationship. Settlements must occur in an informal setting, through the process of a workable compromise.(55) Following this line of reasoning, industrial relations disputes may be viewed as analogous to a marriage. When problems arise, the partners first see a counsellor who facilitates discussion and compromise between the parties. A lawyer is never consulted in the first instance unless a formal breakup in the relationship is desired. The difference between a normal marriage and a workplace relationship is that the latter is in a constant state of disquiet.

Given this analogy, it is not surprising that the key mechanism established in 1974 to facilitate the achievement of a more harmonious and balanced relationship between management and labour in B.C. was a revamped Labour Relations Board, a Board which was given a much broader mandate. The LRB was granted "a comprehensive jurisdiction across the entire sweep of labour law." Following a tripartite pattern, the membership of the board was carefully crafted to ensure "that the divergent constituencies and experiences which were found within either the management
community or the trade-union movement were represented."(56) The participatory nature, broad powers, and balanced composition of the LRB allowed it the flexibility to become an agent of change and bring stability to the B.C. labour relations scene.

The election victory of the Social Credit "free enterprise coalition" in 1975 raised concern that sweeping changes to the Labour Code would be undertaken. However, this did not transpire. Paul Weiler contends that there was "widespread satisfaction with the Labour Code among trade unions and employers" and no desire to return to the turbulence of the past. By 1978, in fact, Weiler maintained that the Labour Code had become a "sacred cow", not to be fundamentally altered.(57) Philip Resnick, in an analysis of the NDP labour policy, noted that the reforms:

... were by no means unacceptable to big business. The Labour Code, in particular, represented a rationalization of industrial relations quite appropriate to advanced capitalism, and it is highly significant that the chief negotiator for the B.C. forest industry, Don Lanskail, should have stated immediately after the NDP's defeat that the Code should not be changed in any major way. The reforms of social democracy are often to the advantage, not detriment, of capitalism.(58)

Likewise, a survey of business establishments in B.C. in the early 1980s found that they were generally supportive of the labour relations machinery set up by the NDP.(59) These observations were made, however, in the context of prosperity.

While some changes to the Code which favoured employers were enacted by Bill Bennett's Social Credit Party during the 1970s, the status quo between labour and capital was maintained. This was
to shift dramatically in the 1980s. The new direction in B.C. labour law was first revealed in the 1982 Compensation Stabilization Program, and, in an even more hard hitting fashion, in the labour legislation accompanying the July 1983 Budget (see chapter 5). These changes were centered especially at those workers in the public sector, but in 1984 the assault on labour's rights would be broadened. Social Credit seized the opportunity afforded by the economic crisis, the high unemployment rate, and the low level of public support for the role of trade unions in society(60) to lead a frontal attack upon organized labour in the province. Former federal Liberal Labour Minister Andre Ouellet, in his submission to the Macdonald Royal Commission, noted that "the common perception in the labour movement is that the role of unions is not fully accepted by employers or the public in general", and that most governments in Canada have been taking advantage of this public sentiment to place constraints on "trade union power and influence."(61)

This observation is shared by Panitch and Swartz, who contend that the current period marks a watershed in labour relations, which they term "permanent exceptionalism". This marks a transformation from a system which established the rights and obligations of unions within a 'free' collective bargaining environment, toward an industrial relations system which sets about to deconstruct 'free' collective bargaining, and, through ad hoc state moves, to suspend specific labour rights for a supposedly specific period of time.(62)
The ideological justification which Bill Bennett and the Social Credit Party used to sell this new industrial relations regime was clearly articulated in a province-wide broadcast to the people of British Columbia on March 29, 1984. Referring specifically to the example of the construction industry and invoking the spectre of the "new economic reality", Bennett proclaimed that:

... these are difficult economic times .. and a new reality must take hold.

The growth of non-union firms is simply an example of the market in action --- a gale of competition in a previously insulated environment.

... My colleagues and I in Government ... want jobs for all British Columbians --- whether they belong to unions or not.

We must assist the construction industry and its workers to come to grips with the new reality --- because the overriding interest --- an interest shared by all British Columbians --- is in job creation. (63)

... This is not a question of ideology --- it is a matter of survival.

In the new world economy ... there will be survivors and there will be casualties --- but there will be no special privileges. (64)

In this new Hobbesian world of industrial relations, the message was being circulated that union membership would no longer be the vehicle, for most working people, to securing and retaining employment.

This change in government policy was made possible by a new mood evident in the business community. James Matkin, head of the
Business council of British Columbia, argues that the attitude of employers towards industrial relations has significantly changed in the 1980's. Because of damage done to their firms' profitability by past union militancy, and labour organizations' persistent anti-market views, employers no longer believed that a greater level of cooperation between management and labour was possible. (65) In addition, as another commentator observed, employers now seek to escape from the provisions of 'overly generous' contracts, freely negotiated in more prosperous times. Employers are finding these provisions constraining, and seek the legislation of terms more favourable to them. Employers oppose the achievements of the free collective bargaining process that occurred in the 1960s and 70s and seek relief from their contractual obligations. (66)

The result of this process of festering employer discontent has been an increasing conviction that the only solution is to move toward a non-union environment. This attitude has been solidified by the experience in the United States, where unionization has dropped to include only 18 per cent of the labour force. From management's perspective, this has resulted in the favourable investment features of "a much more productive and flexible industry where labour strife is non-existent." (67) The lure of the American non-union model is extremely compelling for employers facing the challenges of the 1980s and beyond.
1984: Taking the Unions Out of the Labour Code

On May 8th, 1984 the Social Credit government introduced the first major changes to the B.C. Labour Code since its inception a decade earlier. The initial impact of Bennett's "new economic reality" for the entire scope of the industrial relations community was finally made evident. The Minister of Labour, Bob McClelland, argued that the changes were designed to meet the challenges of the "new economic reality" and to demonstrate to the world that B.C. was a good place to do business.(68) The amendments were to accomplish no less than the forging of "a new partnership between worker and employer."(69) The strategy behind the changes was designed to weaken unions, with the goal of forcing down wages in B.C., a move intended to make the province more competitive in international markets and a haven for capital investment. According to the Socreds, the "new economic reality" is a kind of trial: it poses new economic opportunities, dependent upon rigorous social streamlining.

Direction vis-à-vis this new economic climate was readily forthcoming from the political right. Both the right and left knew recession existed, but the right was able to interpret it and come up with a program on how to handle it. For example, the Fraser Institute's Michael Walker had made suggestions about reforms to the Labour Code. In January 1984, before the appearance of the amendments, he proposed that:
In the case of B.C., a minimum set of changes are those which were made in 1980 and 1982 in Britain—a ban on secondary picketing, reinstatement of employers' rights to sue unions if they willfully cause economic damage and, finally, making it as easy for employees to decertify as it is at present for them to certify. (70)

While the 1984 amendment did not meet the full range of Walker's proposals, the amendments did travel a long way down that path, and the 1987 labour law changes would more than fulfill the Fraser Institute's "minimal" conditions.

Labour historian Bryan Palmer gave warning of the direction in which the amendments were aimed. The code changes, he said, "give clear evidence that the legal rights of trade unions are being fundamentally eroded." (71) The Legislative Department of the B.C. Federation of Labour went further, charging that the government was "not just after union impotence, but, worse, union genocide." (72) John Baigent, one of labour's representative who sat on the government advisory committee for code changes, observed that the amendments were "all pro-employer and anti-union. Bill Bennett's New Reality appears to be a union-free province." (73) A more moderate spokesperson, Paul Weiler, was also critical, arguing that "there is absolutely nothing in the act that addresses the concerns of the labour movement". He stated that the amendments "could upset labour relations and infect the political process involved in labor relations." (74) It is clear that the new partnership of which McClelland spoke meant that the position of the labour movement was to be significantly altered for the worse.
The Labour Code Amendment Act, Bill 28, introduced a total of nineteen alterations to the Code, every one of which was directed against the collective interests of labour. While labour's more extreme predictions of the effects of the changes on unions were greatly exaggerated, they were correct about the direction of Socred policy. The amendments challenged the underlying principles of the 1974 B.C. Labour Code, and weakened the province's labour movement. Former chairman of the LRB, Don Munroe, argued that the 1984 amendments fell into two distinguishable 'chunks', one directed at those still unorganized, and the other at those already unionized. The rule changes for the organized did not, according to Munroe, strike a paralyzing blow to the concept of unionism, although it did aim to curtail union power, while the other changes are clearly focussed on undermining union growth.(75)

The original enactment of the Labour Code recognized and protected the "rights of employees to freely associate to advance employment and social interests."(76) The Code changes were intended to alter this course in favour of the protection of the so-called "public interest", which in translation meant the employers' interests.

Concerning the first 'chunk', the central change involved amendments to union certification and decertification. Perhaps the most significant of the amendments was the one that altered Section 43 of the Code. It required that a secret ballot vote be held before union certification would be granted. Under the
provision of the old code, automatic certification was granted if 55 per cent of employees were signed up by the union. Nova Scotia is the only other Canadian jurisdiction where a mandatory union certification vote is required, and Nova Scotia legislation calls for the vote to be held within five days of the application for certification. The B.C. amendments, however, set no time limits on the vote. The draft Labour Code amendments (Draft 34) which were leaked to the B.C. Federation of Labour in the summer of 1983 indicated, in fact, that certification voting in B.C. would not be quick, partly because of insufficient LRB manpower to supervise the voting. The time lag, according to the Draft, would be about six months, and not Nova Scotia's five days.

The new certification procedure represented, according to Paul Weiler, "a very unfortunate change in the direction of Canadian let alone British Columbia(sic) labour law", paralleling the U.S. experience in which union campaigns are followed by anti-union coercion by the employer. However, the 84 amendments did not yet fully replicate the American pattern; this was to await the 1987 labour law changes. The LRB, through its rulings, insisted that management remain neutral with regard to the unionization question in the workplace. At this time the rights to 'employer free speech' --- allowing employers to actively campaign during unionization votes --- was formally banned.

However, other forms of more indirect employer manipulation of union campaigns were permitted. The requirement of a mandatory vote raised the question of the participants. Labour lawyer Leo
McGrady made the point that the new changes might encourage the manipulation of the employee lists, for example swelling the employment rolls with recruited anti-union employees prior to the voting date. Such amendments are particularly damaging to smaller unions, such as those in the service industry, because of the high legal costs of countering unfair employer labour practices. (79)

Further, in smaller workplaces, even with the "secret ballot", discovering the views of employees is not difficult. (80) In such a setting, employees can easily feel intimidated by the employer, even though management may not be engaging outright in any unfair labour practices. In representational elections, "trade unions are always swimming upstream against natural, inertial employee sentiments in favour of the status quo." The employer is always left with a decided advantage. (81)

Changes directed at making it more difficult to organize did not stop here. Don Munroe argued than an even "more philosophically revealing amendment" concerned the collection of union initiation fees during an organization campaign. As he observes:

The amendment is going to make it extremely expensive for employees to join unions. The point is unions can no longer charge different fees to those they sign up in a certification drive and those fees regularly charged to union members.

It means an employee has to pay for the possibility of a certification, while at the same time taking the risks of being certified or being fired.

It's like buying a pig in a poke and makes organizing the unorganized substantially more difficult. (82)
Clearly, the central thrust of this change was directed towards hindering the organization of new unions.

In a move that complemented the stiffening of union certification procedures, the government slackened the rules governing decertification. Section 52 of the Code was amended to require that "mandatory and binding votes" be held on the question of whether to retain union membership if 45% of employees request such a vote (usually through the circulation of a petition by pro-management employees). Additionally, Section 52(8) allowed the LRB to cancel "the certification of a trade union as bargaining agent" following a work site shut down lasting two or more years. Again, this provision is especially open to abuse by smaller firms which may use company reorganization to deunionize their operations. Furthermore, Section 52(11) strictly forbade the LRB from recertifying a union for at least 10 months following its decertification.(83)

Direct political interference in voting procedures and certification regulations were outlined in the amendments to Section 55 of the Code. In the past, the responsibility for these administrative matters rested with the LRB, but this now shifted to the Cabinet. It was empowered "to set regulations for all voting --- for certifications, strikes, lock-outs, and decertifications."(84) The political executive was positioning itself to manipulate the labour relations regulations and administrative machinery against the force of unionism.
Other amendments, constituting the second 'chunk' of the government's proposals, were directed towards curtailing the economic and political weapons of the unionized sector of the workforce. The definition of "strike" in Section 1 (l)(b) was altered from the phrase, "for the purpose of compelling an employer to agree to terms or conditions of employment" to the following:

"strike" includes a cessation of work, a refusal to work or to continue to work by employees in combination or in concert or in accordance with a common understanding, or a slowdown or other concerted activity on the part of employees that is designed to or does restrict or limit production or services ...

The most obvious targets of this amendment were political protests by trade unions, such as those conducted by Operation Solidarity in 1983. These have been made a violation of civil contracts under the Code unless the union is already in a legal strike position.

The change also removed the subjective element from the strike definition(85) and spelled out in much clearer language that activities such as slowdowns, and other work to rule measures, were to be construed as strike actions. This was intended to check a range of labour pressure tactics against employers, and, potentially, government itself. The LRB was provided with much clearer powers to discipline unions for such 'illegal' actions.

Restraints upon another important union weapon, secondary picketing, were also outlined in changes to Section 85 of the Code. Unions were required to seek prior approval from the LRB.
before any secondary picketing was initiated. It further restricted picketing:

... to places where the employer tries to carry on the business normally done at the primary site, either at a second site or at the site of an ally. In any picketing at a common site, the board is required to limit picketing to the struck employer or his ally.(86)

This amendment which was presumably intended to minimize the harm to "impartial" third parties was in fact a significant move directed at neutralizing "an important weapon in the trade union arsenal".(87) This was accomplished not only by restrictions upon who could be picketed but by further requiring LRB approval before any picketing was allowed. This removed the key elements of surprise and initiative from the union side.

Turmoil in the forestry sector in the spring of 1984 was used to justify this amendment. A lock-out by the pulp companies over stalled contract talks brought a strong reaction from the unions. Not only did they picket their own work sites but they initiated secondary picketing around allied employer operations. This pulp union strategy induced negative reaction from members of the IWA who did not want to be drawn into the dispute and have their employment disrupted. This situation resulted in numerous clashes between pickets and disgruntled IWA workers. The situation was made even more tense when IWA President, Jack Munro, made no secret of his displeasure with the picketers, even charging that they were immoral.(88)
The lock-out and clashes dragged on for several weeks before the government stepped in and ordered a cessation of the conflict, justifying its decision on the grounds that innocent third parties were suffering excessive hardship. Bennett declared that the reliability of B.C. as a forest products supplier would soon be in question, costing the province markets and jobs. The government used the climate of labour disunity and "economic crisis" generated by the pulp industry lock-out to legitimize this set of Code changes. As Social Credit MLA Terry Segarty stated in defence of the amendment: "This will prevent the sort of harm suffered recently by I.W.A. members and forest employers, or other employees and employers in similar situations in the future."

A provision of the Code which explicitly stipulated the policy of prohibiting employer coercion and intimidation was repealed. Section 5 read:

A person shall not use coercion or intimidation of any kind that could reasonably have the effect of compelling or inducing a person to become, refrain from becoming or continue or cease to be a member of a trade union.

In its place was substituted a section labelled "fair and reasonable conditions of membership". It is significant that a provision concerned with protection against employee coercion, one most especially used against employers or their agents in their attempts to prevent union formations and in decertification drives, was replaced by a provision aimed solely at trade unions' right to discipline membership. This provision empowered the LRB to interfere in the internal affairs of unions. It was a move
designed to delegitimize unions by presenting them as undemocratic. The LRB was entitled to prohibit "unions from expelling, suspending or disciplining members except for cause which, in the opinion of the board, was "fair and reasonable"." The legislation, moreover, draws out causes which would be unfair and unreasonable including "the refusal to participate in 'unlawful industrial action', handling products from, or entering a place of business where unlawful industrial action is taking place."(91)

The thrust of this change was two-fold. First, it was aimed at weakening the union's ability to generate cohesion in its ranks during industrial or political actions --- a cohesion which became even more vitally important due to the government and employer offensive which inevitably intensified labour relations turmoil. The goal was to provide a legal haven for elements within trade unions seeking to undermine union solidarity. The thrust of this amendment would facilitate the splitting of the ranks of labour so that any further job actions, like those of November 1983, could be quickly neutralized. Second, the elimination of the employer coercion and intimidation provision was a clear policy message to B.C. employers that a more aggressive approach to combatting union organization and assisting decertifications was appropriate. The 1987 changes would provide employers with firmer legal supports to pursue these policies.

Unionized construction workers were particularly targeted by this legislation. First, the definition of "construction" in
Section 1 of the Code was changed. Construction projects were defined as "construction that is carried out as a separate and distinct undertaking" and further as "work that can be carried out without necessary integration with other construction work." This redefinition was aimed at attacking those provisions in the Code that covered "common" or "integrated" sites. This definition, in concert with the addition of Section 73.1 concerned with economic development projects, meant that any phase of construction, or a sub-contract, could be designated as a separate "construction project".

The changes allowed a developer to use both union and non-union contractors on the same site without the Building Trades being able to invoke their non-affiliation clauses. Non-affiliation clauses gave unionized construction workers the right to refuse to work beside non-union workers on a construction site. The LRB had previously ruled that such clauses were legal because they operated under the same principle of union security, i.e. the closed or union shop, as in other industries. These clauses have been the primary instrument for defending union security in the construction industry. Furthermore, Subsection 45(3) of the revised Code had "the effect of cancelling certifications upon "completion of the construction project"." Construction unions would be forced into the position of having to reorganize on the same construction site for each different undertaking.
Legislation concerning the construction trades was taken a qualitative step further. Cabinet empowered itself with the right to declare any "construction work or related activity" as an "Economic Development Project". Labour Minister McClelland indicated that this section was directed at the Expo 86 site and possibly other development projects such as ones located in Whistler, Tumbler Ridge and the Duke Point harbor development in Nanaimo. (95) In future, these designations could also be used at government supported high tech development sites. The "Economic Development Project" designation placed restrictions on the rights of workers to strike over safety issues or to invoke their non-affiliation clauses. The LRB was given sole authority over how or whether such rights could be exercised. As the B.C. Federation of Labour noted in 1984: "An order designating an economic development project negates freely negotiated rights under non-affiliation, sub-contracting and other clauses." (96)

The LRB was also allowed to make its determinations arbitrarily; it did not need to make reference to past Board decisions or to decisions taken on any other "economic development project". (97) The construction industry was clearly targeted by the Social Credit government for special treatment; the 1984 amendments established institutional mechanisms leading toward deunionization of the construction trades. This attack would be intensified in the 1987 changes.

The "Economic Development Project" amendment underscored a change in the course of government policy relating to employment
practices on government sponsored economic ventures. Under W.A.C. Bennett, government mega-projects were built exclusively by union labour. In return for granting the building contracts only to union firms, unions made "strike-free agreements". A harmony of economic interests was achieved between the state and unions. The goals of peaceful industrial relations and economic development were linked. The practice was followed by all subsequent governments. However, in William Bennett's final administration, the policy was discontinued. The Expo 86 site in downtown Vancouver was to be the showpiece for the new policy direction.

After the 1983 provincial election, the government reversed the expected policy that Expo would be a completely union built fair, and declared that it would be an open site where contracts would be awarded to the lowest bidder, whether they were union or non-union. What followed was an intense period of class warfare between the building trades unions and non-union contractors, Expo management and the government. The battle centered around the "fair wage" issue. The unions realized that they could not get the government to back away from its open site declaration and felt that the next best way to undercut the non-union contractors was to strike a deal with Expo's management concerning minimum wages for construction workers. The only decided advantage which non-union contractors enjoyed was that their wage structure was about $8 an hour less per employee. If the unions set a minimum wage that bridged most of this wage
gap, they felt confident that the union contractors could underbid their non-union competition in most cases.

Labour's trump card in the bargaining was the industrial disruption it could bring to the project through its right to cease work via non-affiliation clauses; this disruption could threaten the cancellation of the project. Through a protracted series of industrial actions, negotiations and deal-cutting, a number of agreements were hammered out, but in each instance the provincial Cabinet intervened to veto any deal that might undermine the competitive position of the non-union contractor. For the Socreds, guaranteeing union cooperation took second place to upholding their ideological commitment to free enterprise.

The government, it seemed, welcomed a showdown with the construction unions. Expo was a popular event, unemployment was high, especially in the construction trades, and the negative image of picketline violence were all in the government's favour. In a distressed economy, Expo stood out, for many, as the only prospect for rejuvenation. Any force which seemed bent on jeopardizing it could only arouse the public's wrath. This was the perfect setting to sell the Socred message that unions were an untrustworthy 'special interest' group, whereas the government was committed to the public interest and generating jobs for all, not simply union members. The populist appeals were successful, and the construction trades unions discovered that they were battling on unfavourable terrain. Their difficult position was summed up by Rod Mickelburgh:
Too many of their members had been unemployed for too long. Could the trades really threaten to have the fair cancelled through labour disruptions? Even if the amount of work was being reduced by non-union contractors, a lot of union workers were glad to get any work at Expo. They wanted to keep it.(101)

In the end, the unions found themselves outmanoeuvred by the legislation forbidding industrial disruption at the Expo site. Expo chairman Jimmy Pattison explained the conflict this way: "It had nothing to do with saving money. It was a major philosophical change that we were going to have an open site in downtown Vancouver."(102) Over 70 per cent of the contracts were eventually awarded to union firms,(103) but they were defeated on an important union principle and the non-union construction sector was greatly strengthened. Further, Expo set the pattern for subsequent government development projects, like the Coquihalla highway, where both union and non-union construction companies would be employed.(104)

Premier Bennett's March address to the people of B.C. outlined what he maintained was the logic of the 1984 Labour Code amendments. "The simple fact of the matter ... is", Bennett argued, "that we no longer have the luxury ... of being able to accept endless labour-management confrontation."(105) From the Socreds' perspective, it became the government's job to ensure the optimum conditions for this state of affairs. This could be accomplished by placing unions on a defensive footing, checking their sources of power, and beginning the process of
deunionization so that B.C. would reflect more closely the American pattern.

However, this did not mean that confrontation could be prevented in the short term. In fact, battles with labour were encouraged. It was strategically advantageous for the government to act forcefully while unions were in a weakened and defensive position resulting from the disciplinary effect of unemployment. In such a setting, the possibility of decisively suppressing the labour movement was enhanced. Yet, it would entail a campaign that, as in the case of Britain, would take more than one term of office to bring to fruition. In dealing with labour relations, Thatcher, rather than adopting "the comprehensive, 'at a stroke' approach", has been more gradualist, moving step by step toward the erosion of union power. "For their part, faced with an incrementalist strategy of this kind rather than a single all-out assault, the [British] unions have found it difficult to rally friends and allies."(106) Like their British counterparts, B.C. unionists have also been disarrayed by their government's encroaching anti-labourism.

The 1984 amendments constituted but one battle in the war with labour, designed to test the unions' resolve and to soften up their lines of defense. The changes, as a package, functioned to reinforce the rights of employers, while at the same time dismantling many of the collective rights of labour. In particular, the amendments worked to thwart further organizational attempts by unions and restricted the ability of labour
organizations to bring their full collective power to bear against capital. Bennett was also careful to play on divisions within labour's ranks, and on the public's distrust of unions' power and desire for employment. However, the amendments, while curtailing union power, were not designed to inflict a deadly blow to labour. Many of the changes which appeared in 1984 in embryonic form would re-emerge in 1987 in more mature and more threatening form.

In direct counterdistinction to the underlying principles of the 1974 B.C. Labour Code, the changes set about to significantly alter the power balance between management and labour to the decided advantage of capital. Moreover, the independence of the LRB, vital for maintaining its integrity among the parties and a key instrument for preserving the harmony between capital and labour since 1974, had become compromised. This was brought about by a change in the appointment philosophy and an administrative transformation in the way the Board made its rulings. The practice of appointing members from the labour relations community was abandoned by the government in favour of people representing the so-called 'public interest'.(107) Also, most rulings came to be made by a vice-chairman sitting on single-member panels, rather than the three-member panels of the past composed of a chairman and representatives from management and unions.

Labour lawyer and former vice-chairman of the Canadian Labour Relations Board Jim Dorsey questioned the B.C. government's commitment to the maintenance of equal representation of labour and management with respect to LRB dealings. He feared that the
Board was in serious danger of losing its standing as a neutral legal body reflective of the concerns of the broad labour relations community in B.C. Evidence of the growing lack of balance in the B.C. LRB is revealed in the fact that its decisions are now rarely relied upon or cited by labour relations boards outside of the province.(108)

A further example of a labour policy of the Bennett government which displayed prejudice toward the business community involved Workers' Compensation (WCB) assessments. In both 1984 and 1985 WCB business fee assessments were frozen at the 1983 level. This resulted in a savings of some $74 million to the businesses in the province.(109) WCB chairman Walter Flesher justified the freeze, stating: "I believe we are giving industry a much-needed breathing space to recover from the world-wide economic difficulties of the recent past."(110) Labour reacted with outrage because the move placed the WCB's unfunded liability (the difference between the WCB's cash assets and the estimated future costs of claims and pensions for injured workers) into a dangerous position. Estimates of the liabilities have been set at $1 billion.(111) Unions in B.C. felt that the practice of relieving B.C. business of the responsibility to pay adequate assessment rates places the future of WCB protection in jeopardy.

The Socreds' minimum wage policy provides another benchmark by which the Bennett period can be measured concerning its orientation toward labour. The minimum wage moved from the highest in the country, under the NDP, to the lowest under Bennett,
standing at only $3.65 an hour in 1986.(112) Minimum wage policy stands as another example of the Socreds' policy of undermining labour standards in the province.

The Transformation of State Sponsored Labour Relations Under the Vander Zalm Administration

The confrontational tactics and style adopted by Bill Bennett in the Solidarity period permanently scarred his regime. The 'tough guy' image which had been so marketable in the 1983 election, became a decided liability for Social Credit re-election. The perception was that the B.C. electorate probably would not reelect the party if Bennett remained at its helm. Thus Bennett talked about a party renewal that would begin with his resignation.

Social Credit replaced him with the populist leader William Vander Zalm, a successful move designed not only to achieve victory at the polls, but to preserve the anti-socialist coalition and the viability of the party itself.(113) Labour relations would be the proving ground for the "renewed" Social Credit Party. Vander Zalm, sensing the public mood, centred his new image on conciliatory themes, emphasizing the need for compromise on all sides and calling for the healing of old wounds. He attempted to provide proof of this moderate direction by quickly reaching a contract settlement with the BCGEU, "offering them a no-concession salary increase, thus signalling a possible end to public sector restraint."(114) To kick off his 1986 election campaign and
reinforce his image of conflict mediator, Vander Zalm turned his attention to a major labour confrontation in the private sector.

The IWA and the forest corporations were engaged in a protracted strike with significant negative impacts on the provincial economy. The premier's mediation efforts this time were unsuccessful and greeted with disfavour by the IWA. The failed labour relations intervention, while something of an embarrassment to the Premier and a blow to the Socreds' campaign, was not fatally so. Vander Zalm noted that there had to be a better way to resolve disputes that damaged the economy and the investment reputation of B.C. (115) During the election campaign, the Premier continuously reiterated his promise to end confrontation. As he said, upon opening the contest, "Main street British Columbians want an end to partisan warfare. They want to set aside electoral strife which has become the unhappy hallmark of B.C." (116)

Encouraged by Vander Zalm's promise, many observers of the labour relations scene in B.C. believed that a further extensive revision of labour legislation was unlikely. Some encouraging signs existed. A younger and more astute B.C. Federation of Labour executive had assumed the leadership of the province's labour movement. Unions and employers, for the first time since 1983, were engaged in friendly dialogue and a more cooperative relationship. For example, both labour and business organizations jointly developed the Pacific Institute of Industrial Policy to find ways of attracting new business to B.C. Labour sought a less confrontational approach to both government and employers.
Further, the new Labour Minister, Lyall Hanson, had advised the premier in a letter that industrial disputes could not be resolved legislatively. (117) Joseph Weiler contended that the bitter Solidarity strike had proved the strength and usefulness of the Labour Relations Board, guided by the Labour Code. As he noted: "Without the facilities of the board and the confidence and trust that both parties had in its expertise and even-handed treatment, no such peaceful resolution would have been reached." (118) Clearly, the implications were that B.C. labour law was effective, even under extreme stress, and had proven its value to all parties, hence its significant alteration seemed unlikely.

The promise of an end to confrontation, however, was to remain unfulfilled. The first major pieces of legislation introduced by the new government were highly inflammatory. Bill 20, the Teaching Profession Act, radically transformed the labour relations setting for teachers. The Act created a new regulatory body, a College of Teachers, and for the first time allowed teachers to become union members governed by the provincial Labour Code. The province's teachers perceived a number of dangers in the legislation. First, the College of Teachers was designed by the government to implant another disciplinary body, in addition to school boards, to control teachers. It transformed the teachers from a self-regulating professional body, like doctors, into a less autonomous and more controlled grouping, like nurses. The Socreds played upon a cultivated public perception of teachers as incompetent and in need of government curbing. (119) Further, the
government argued that the B.C. Teachers Federation was a very political organization "committed to political action and has a strong influence favouring militant trade unionism." This was not an appropriate body, according to the government, for "disciplining teachers and representing teachers in their professional function." (120)

Bill 20 also gave teachers the choice of forming either district-wide unions or associations. Teachers no longer were required to be members of the BCTF. Teachers in districts which decided on the association route would not have the right to strike; their only method of dispute resolution would be through voluntary arbitration. Opting for union status placed those teachers under the jurisdiction of Bill 19 with a nominal right to strike. The government hoped to split teachers into hostile camps. The tension between the idea of teachers as professionals, and the notion of teachers as simply employees and part of the labour movement has historically been a divisive one for teachers in the province. The Socreds were well aware of these long-standing divisions and hoped to use them to fracture teacher unity and dampen the political militancy of the BCTF by opening the Federation's orientation to both internal and public debate. The government believed that the majority of the teachers were considerably less politicized than their leadership. The Bill created 75 separate teacher units (121) and would force teachers to divide themselves into those desiring full trade union status and others committed to remaining "professionals".
Additionally, the legislation excluded administrators, principals and vice-principals from BCTF membership, placing them in management's camp. Once again, this was part of a divide and rule campaign, introducing yet another divisive and disruptive influence in teacher labour relations. It significantly changed relations between staff and principals, undermining the BCTF's strides toward instituting a form of collegial decision-making in the schools. The overall goal of Bill 20 was to weaken the collective might of B.C. teachers, and check the BCTF's growing political militancy.

Bill 19, the Industrial Relations Reform Act, was even more controversial because it was targeted at all of organized labour in the province. The blitzkrieg against collective bargaining which this Act represented constituted nothing less than a counter-revolution against the Keynesian industrial relations system, as orthodox *laissez-faire* notions of employer-employee relations reappeared in the form of neo-conservative ideology. The old tripartite Labour Relations Board was replaced by an Industrial Relations Council (IRC) headed by a labour 'czar' appointed by the government.

The appointment of the Compensation Stabilization Commissioner, Ed Peck, to this position was particularly provocative and galling to labour because of his role in curbing public sector wages. It signaled to labour that the government was primarily interested in using the new Industrial Relations Council to discipline workers, and consequently the IRC would be a hostile
institution to deal with. B.C. Federation of Labour Secretary-Treasurer Cliff Andstein charged, for instance, that Peck has: "been destroying collective bargaining for five years. He's been the effective hatchet man for the Socreds for a long time."

Sweeping interventionary powers were handed to the Council Chairman and Cabinet to achieve the stated purpose of "the expeditious resolution of labour disputes" and the minimizing of "harmful effects of labour disputes on persons who are not involved in the disputes." The bargaining parties were reminded of their obligations "as participants in and beneficiaries of a competitive market economy," whereas the old Code simply directed the LRB to develop "effective industrial relations" and ensure "good working conditions". No mention had been made concerning their "obligations" to preserve competitive capitalism. Labour Minister Lyall Hanson, speaking in the legislature in support of Bill 19, proclaimed:

In total the legislation amends the Labour Code to conform with the changing times. This bill is a blueprint for reducing public frustration with labour relations, for encouraging entrepreneurial activity and for reducing conflict. It ushers in a new era of labour relations, one which is intended to contribute to the steady growth of the economy and a return to prosperity.

The primary purpose of state sponsored labour relations shifted from the facilitation of harmonious labour relations to the unfettered pursuit of the benefits offered by a market economy.
Kim Campbell, one of the more articulate Social Credit MLA's to outline a persuasive rationale behind the statute, contended that the legislation was not issued because of a disdain for unions, but rather with the goal of leveling "the playing-field between the parties in industrial relations" which had been tilted too favourably towards organized labour. Further, she spoke about the need for unions in the 1980s to regain public credibility and this rested upon successful dispute resolution, which lay at the heart of Bill 19. The importance of recognizing "the needs of the market economic system" was essential, which was something American labour organizations had grasped and accepted, in sharp contrast to their Canadian counterparts.(126) Acceptance of this reality was beneficial not only to the economy but to the public image of, and thus the long-term viability of, the trade unions themselves. Campbell was able to introduce a measure of union self-interest into the debate. The implications of this line of reasoning, however, pointed toward a closer emulation in B.C. of the labour relations pattern in Reagan's America.

The officially stated philosophy behind the changes was articulated by Hanson. As he noted of the new laws:

They have been carefully considered and carefully designed to bring about increased democracy for industrial workers and to add a new dimension of fairness to industrial relations in this Province. They will protect the public interest and, at the same time, demonstrate to our trading partners and potential investors that here in British Columbia we now have in place effective procedures and mechanisms to develop a new degree of stability in industrial relations.(127)
While the government defended labour code changes by invoking the imperative of a tough international market economy, and touted Bill 19 as a boost to individual workers' rights, and a protection for innocent third parties, the threat which the legislation posed to established trade union rights was not lost on the province's labour movement. CBC radio reporter Barry Bell described the impact of the changes in these terms:

Bill 19 struck the labour movement with the suddenness of a burst of shrapnel, hitting almost every part of the body of labour and infuriating those who had expected and hoped for a more cooperative approach from the Vander Zalm government. (128)

An even more slashing assessment of the legislation was levelled by Graham Leslie, B.C. Deputy Minister of Labour during the drafting of Bill 19, who was fired for his opposition to it. He charged that the government was committing an action of legislative violence by its attack on so many "long-standing rights of unionized working men and women." (129) He also claimed that the Bill, contrary to government claims, was drafted independently of the public hearing process into Code changes (130) by government officials and employer lawyers. Evidence presented in the legislature suggested that the Vancouver law firm of Jordan and Gall, which handles the labour relations cases of numerous large employers in B.C., had been hired by the Labour Ministry to help prepare preliminary drafts of Bill 19 and was paid in excess of $220,000 for the service in 1986. (131) The Bills' provisions read as if a list of LRB decisions made in labour's favour had
been kept, and amendments drawn up from these to rectify the rulings against employers.

Bill 19 seems to have derived from the revision of the Code begun in 1984; for instance, legislative debate revealed that a preliminary version of the Industrial Relations Council system had been considered when drafting Bill 34.(132) Secondly, the stimulus to create the statute soon after the election came from the IWA dispute, which, in the government's words, proved "costly not only to forest workers, but to other innocent parties, such as small business owners who depend on a healthy level of corporate and consumer spending".(133) As with much of past Canadian labour legislation which attempted to introduce mechanisms to curb strikes, the parliamentary action was triggered by a major labour disturbance.

The Industrial Relations Reform Act replaced the B.C. Labour Code with the Industrial Relations Act (IRA). All previous statutes covering the field of labour relations within the province's legislative domain were made redundant by the comprehensive nature of the Act. Consequently the Essential Services Disputes Act and the Public Sector Restraint Act were repealed, and the Compensation Stabilization Act was allowed to be phased out. The functions of these statutes would be covered by sections of the IRA. In fact, the impact of these former statutes is actually strengthened in many instances. For instance, the government contended that a broader definition of the public
interest was provided under the IRA than existed in the Essential Services Dispute Act.(134)

The duties formerly handled by the Labour Relations Board would be performed by the Industrial Relations Adjudication Division (I.R.A.D.) of the Council. Its role is that of "adjudicating legal issues in labour relations such as the acquisition and termination of bargaining rights, complaints of unfair labour practices, and strikes and picketing issues." It is not concerned with the resolution of interest disputes; this is left to the Dispute Resolution Division (D.R.D.).(135)

The D.R.D. assumes the role of the Mediation Services Branch of the Ministry of Labour. It is mandated "to monitor all labour disputes and to help parties resolve their disputes by themselves."(136) Additionally, it is to act "as a central industrial relations information source for the government and public."(137) No strikes or lockouts may begin until 72 hours after the parties have notified the D.R.D. After notification, the dispute is to be continuously and closely monitored by the D.R.D. The D.R.D., upon the direction of the Commissioner, has the power during an industrial dispute to appoint a mediator, fact-finder, or a Public Interest Board of Inquiry to hear evidence from the public and disputing parties. The Commissioner may also confer with the disputing parties and make his own recommendations for a settlement, and/or order a vote by the employees on the employer's last offer.(138)
The Minister of Labour is to be kept informed about the progress of all actual or threatened industrial disputes by the Commissioner, and is empowered by the Act, if he perceives the public interest threatened, to order a 40 day cooling-off period during which no strikes or lockouts may occur. The Minister may also direct the Council to designate workers in either the public or private sector as essential services and thus legally outlaw their right to withdraw their labour. An Industrial Inquiry Commission may also be appointed by the Minister to "maintain and secure industrial peace and promote conditions favourable to settlement of disputes." While the greatest interventionary power rests with the Cabinet, its actions must eventually be approved by the Legislature.(139)

The Major Provisions of Bill 19

The provisions of Bill 19 strategically tackle labour on a number of fronts, interfering with unions' abilities to carry out their principal functions at every level. The aim is to dismantle the Keynesian industrial relations structure and dramatically shift the balance of class forces toward capital. These fronts may be divided into the following categories: 1) union organizing and certification, 2) union internal affairs, 3) the administration of collective agreements, 4) 'free' collective bargaining, and 5) the question of retroactivity.
On the first front, the Act moves against unions' abilities to organize by changing the certification process. With regard to certification campaigns, employers, formerly 'officially' banned from participating, are now guaranteed 'free speech'.(140) Freedom of speech is, of course, one of the most important rights held in our society, but like all rights it is not unlimited. Especially in the arena of industrial relations, the right to freedom of speech often conflicts with the right to freedom of association. Freedom of association is the fundamental principle upon which liberal labour codes were drafted,(141) and freedom of association is threatened by broad interpretations and defences of employers' rights to free speech. The freedom to express clause, Section 2(3), recognized the employer's "freedom to express his views provided he does not use intimidation, coercion or threats". This means that during a unionization campaign, the employer has the right to "communicate to an employee a statement of fact or opinion reasonably held with respect to the employer's business" (Section 3(3)(g)).

Employers are now free to make the argument to employees that they believe that union certification would place enough economic strain on their business establishment to force its closure, and the Council would have to rule that this did not constitute undue interference into employee affairs. This development, coupled with the fact that there is no guarantee of quick certification votes, fully implements the American union certification model. It is a model marked by widespread employer abuse. This form of union
busting will now be possible in B.C. In *Reconcilable Differences*, Paul Weiler points out that open certification campaigns rest "on a thoroughly romantic view". (142) He notes:

... in my experience of four years of administering the law in British Columbia ... when we did have a hotly contested representation campaign between the union and the employer, the employer normally found it impossible to resist the temptation to engage in improper tactics to turn his employees against the union. I do not think that I am unduly cynical in saying that the labour relations of the Marquess of Queensbury Rules tends to be ignored by employers if they are drawn into that kind of battle. (143)

The changes to the rules of certification represent a fundamental shift in the philosophical guidelines underlying labour relations in general. The Canadian tradition since P.C. 1003 has maintained that only employees have the right to determine whether or not to form a trade union. Non-employee communications and actions, especially by employers, who, by their very location in the labour process had the power to exert an undue influence upon the employees' free choice, were to be strictly controlled. (144) The Social Credit Party, however, became concerned with opening up the communication lines between employer and employee. In their view, management's rights had been too strictly and unjustly constrained. The restrictions facilitated an artificial adversary system between labour and management. One way of breaking down this adversarial relationship was to "open up the possibilities for honest communication between an employer and his employee".
Campbell argues that Canada has much to learn from the Japanese system of "enterprise unions". Enterprise unions, in contrast to trade unions, are supportive of the market system, concerned with increasing the company's efficiency, and advocate a cooperative relationship with management. The close links between management and workers in Japan are prohibited by Canadian labour law because it was feared that, if companies developed too close a relationship with workers, this would result in company-dominated unions. According to James Matkin:

The result of this philosophy is to strengthen the adversarial nature of our system of industrial relations thereby discouraging the parties from sharing a common interest in the success of the enterprise. Union and management play the game in Canada like the offence and defence of opposing football teams.

By entrenching in the labour code the employer's right to free speech, a major barrier to future unionization drives is erected, strengthening employer rights at the expense of union rights. The end result is not the facilitation of greater harmony in the workplace but an atmosphere which makes it easier for employers to dominate, and instill market values in employees.

The decertification of existing unions is made considerably easier because of changes in successorship rules. In the past, unions had successorship rights if a business transferred a significant portion of its assets or went bankrupt and began a new operation. But Bill 19 amends Section 53 of the Code so that successorship is only granted if the "essence" of the business is transferred, and not at all in the instance of bankruptcy unless
the employer deliberately filed to evade the collective agreement. Deliberate attempt, however, is nearly impossible for the union to establish.(147) Enterprises could de-unionize portions of their operations by selling sections of it. In the case of a supermarket like Safeway, for instance, if the bakery was sold it would be unlikely that the Council would declare that this portion of the operation represented the "essence" of the business and thus successorship rights would not follow.(148)

The new successorship rules are especially useful for small and medium sized contractors in the construction industry. Such enterprises generally hold very little in material assets, possibly a truck and a computer, but most other equipment is rented. In order to escape from a collective agreement, all the employer has to do in this case is to sell his meagre assets and incorporate under a new name.(149) Given the numerous opportunities opened up for employers to manipulate the new rules against existing unions, clearly union decertification has been made much easier.

In a move which continues the B.C. government's 1984 assault upon the construction trades, Section 37 of the Code was altered to permit the practice of 'double breasting'. Changes to these rules allow the larger unionized construction companies to set up a parallel, non-union company so long as the management is different. The old test for double breasting was common ownership.(150) This amendment opens the door for the systematic deunionization of the construction industry in the province.(151)
The changes will allow for a replication in B.C. of the Alberta pattern. In Alberta, the practice of double breasting reduced construction union membership from about 80 per cent in the early 1980s to only an estimated 4 per cent in 1987. In B.C., hard economic times, coupled with unfavourable government policy, already worked to reduce the unions' ranks from over 90 per cent in the 1970s to 31 per cent in 1986.(152) This downward trend will surely be accelerated by the double breasting provision.

The philosophical rationale behind these amendments, which not only check trade union growth but undermine existing unions, is distinctly neo-conservative. A government document which outlined part of a five year economic plan for B.C. revealed a commitment to strengthen the market economy by removing obstacles to its operation. As the document states: "Particular emphasis should be given to measures which remove barriers to the efficient operation of markets, including the labour market." (153) Unions and their abilities to subvert pure market outcomes are viewed as major market impediments. Alberta entrepreneur Peter Pocklington welcomes the erosion of union power in wage setting. He described the enhanced role of market forces in this area as the "market wage doctrine" and regards it as a necessary corrective to the union's "artificial" ability to raise wages.(154)

A second area addressed by Bill 19 concerns the internal affairs of the union. The amendments contained under this category largely replicate anti-union measures adopted in the United States and Britain. In America such measures were termed "equalizing
amendments" because they were intended to protect the rights of individual employees against the coercion of union power. The IRRA interferes with unions in basically two ways. First, it restricts the enforcement and disciplinary powers that democratically formed unions have over their own members, a limitation not extended to corporate boards. For example, under the provisions of Section 5.1, a union can only demand from the employer that a union member/employee be dismissed for a failure to pay union dues. Workers who continue to work during a strike or who provide management with confidential union information are legislatively protected from effective union discipline. This provision duplicates a key provision from the 1947 U.S. Taft-Hartley Act. The dangers to unions from this type of amendment were presented in a 1947 U.S. Senate minority report, which maintained:

... an employee could with impunity completely defy the union. He could defame it, he could betray confidential union information, he could seek to wreck it, attempt to bring it into disrepute, act as a spy or stool pigeon or strikebreaker, be a racketeer or a grafter, and yet the union would have no effective sanction against him. If he pays or offers to pay his dues and initiation fees, the employer need not fire him and any attempt by the union to persuade the employer to do so would be an unfair labor practice on the part of the union. The union would be completely shorn of effective power to discipline its members for good cause.

Under this amendment, the notion of a closed shop takes on a totally different connotation. The legislative provision encourages the growth of anti-union activists within the organized work force and shelters them from effective union sanction. One
aim was to neutralize the coercive and restraining powers of unions to force members to participate in strikes and honour picket lines, the union's primary weapon against an employer. This notion was reinforced by the change to Section 7 of the IRRA which establishes the "duty of fair representation" on the part of the union. Section 7(a) outlawed trade unions from acting "in a manner that is arbitrary, discriminatory or in bad faith towards" a member who refuses to accede to union pressure to participate in unlawful industrial action. Although the legal code has already provided individual protection from such potential union abuses, now 'dissident' union members can find further legal encouragement to violate union solidarity.

B.C. Labour Minister Hanson maintained that a union could expel a member for a breach of union guidelines, as long as these rules were lawful, but that in such a case the employee would not have to be fired by the employer (except for refusal to pay dues). But the employee, after being expelled, would be freed of the obligation to pay union dues because, having no choice, he or she was no longer a member of the organization, although the employee would continue to enjoy the benefits of a unionized shop. Hanson contended that, in the case of an internal disagreement between the union and a member, the union should not possess the power to force the employee to lose his/her job.(158) The long term effect of this amendment is to impose a form of right-to-work legislation because employees may still enjoy employment in a formally closed
shop setting, without belonging to the union. The union shop is thus no longer a union shop.(159)

From the B.C. government's perspective, the individual's right to earn a livelihood (a guarantee of a 'right to work') stands above the rights of unions to impose discipline upon members. The question of 'right-to-work' involves a conflict between the concept of union security versus the individual's right to work. However, as Paul Weiler points out, "'right-to-work' is a complete misnomer in this debate. No one has the right to work. The ... Canadians who are out of work are a walking testimonial to that fact of economic life. ... Employers do not guarantee anyone work."(160)

A second front on which unions' internal affairs are tampered with concerns the decision-making mechanisms of unions on questions such as collective bargaining and strike votes. British labour policy, especially Norman Tebbit's 1983 Green Paper, Democracy in Trade Unions, appears to have been particularly influential. The explicit assumption of the Green Paper was that trade union leaders were unrepresentative of the views of the rank and file, the implication being that a radical leadership was "wielding power and influence over conservative or 'moderate' members." The proffered solution to this problem was to check the union leadership by mobilizing the silent majority through mandatory secret ballot votes on all important union matters.(161) Section 55 of the IRRA 'reforms' procedures by which votes during collective bargaining are conducted. Votes must now be conducted
by secret ballot rather than by a show of hands, or other open methods.

The guiding rationale is that, if union members are given an opportunity to express their wishes secretly, they will display a greater independence from the collective will of the union membership, and defiance toward the recommendations of their union executive. If union members can be separated from the group when making crucial collective bargaining decisions, then short term individual self-interest will undermine collective solidarity. "If the 'militant leaderships' could be detached through secret ballots," John Kelly contends, "the true, i.e., moderate, face of trade unionism would be revealed, and needless conflicts, instigated by such militants, would wither away."(162)

Even more seriously, the changes to Section 55 now require that the results of any votes respecting a collective bargaining issue be given to the employer. This amendment substantially benefits employers in negotiations. While the union will not know how close management is to accepting a union offer, employers will have a reading of the union's position.

This is certainly a deliberate attempt to tilt the balance again in favour of the employer. For example, during negotiations the union has no way of knowing what is going on in the board room of the employer (e.g. of knowing whether the employer is close to or far from accepting a union offer). There is no reason why the employer should be entitled to comparable information from the union.(163)

Furthermore, unions are restricted from taking strike votes until after an impasse in bargaining has been reached.(164) Once
again, tactics which provide the union with some leverage in bargaining with the employer have been eliminated by the new Act. Section 55.1 enfranchises "all employees --- not just union members --- to vote on matters relating to collective bargaining" although this right is "not extended to strikebreakers hired during a strike or lockout."(165) These voting rights would apply to contract ratification and strike votes but, because the definition of collective bargaining can be so all-encompassing, the Council could well rule that participation rights of non-union employees should extend to union meetings designed "to discuss [union] strategy in respect of the collective bargaining that's underway".(166)

As a package, these provisions go a long way toward undermining union solidarity. They do this by attempting to redistribute power within unions via the curbing of union leaders' influence upon members. They are restructuring the union's internal organization away from collective decision-making, toward individual decision-making.(167) It is consistent with the government's intention of increasing "democracy in the workplace" by protecting individual worker rights and freedom of expression from union reprisal.(168) This is the Socreds' version of industrial democracy --- one devoid of any conception of collective rights.(169) It is a reasoning which accepts the proposition that the state must protect the union membership from the domination of its own leadership.(170) These measures seek the larger goal of refashioning society's collectivist values, values
which rest at the root of unionism, and replacing them by a thoroughly individualist value system. (171) The overriding goal of the government, it can be argued, is to weaken the unions' collective power and resolve in the face of market forces.

A third category of amendments covers the administration of collective agreements. The role of the courts in labour/management disputes is greatly enhanced by the repeal of the clause that allowed only the LRB to pass disagreements into the judicial arena. The LRB rarely granted such requests, judging that, in most instances, this damaged industrial relations needlessly. Under the new act, if either party wishes court intervention in the case of a violation of law, the action can not be blocked by the Council. This gives employers the right, for example, to sue unions to recover losses resulting from unauthorized strikes or boycotts. (172) This amendment to Section 32 reverses a labour policy trend which moved the authority for regulating industrial relations away from the court system toward administrative tribunals. The exemption of unions from the sanctions of the regular court system has been a source of contention for neo-conservatives for some time. Friedrich Hayek argued that unions had "become uniquely privileged institutions to which the general rules of law do not apply. They have become the only important instance in which governments signal fail in their prime function -- the prevention of coercion and violence." (173) Hanson, agreeing with this contention, outlined the Social Credit government's position:
In modern times I think the trend is that nobody should be immune from actions in the courts, if they so desire.

... We feel it is only fair and reasonable that the person or the entity or whatever it may be that has suffered as a result of that legal action should have a fair and reasonable chance for redress through the court system. ...(174)

The result is the restoration of judge-made common law rights to employers. This will act as a preventative to workplace property damage during strikes, now that the employer has the right to sue the union. The threat of employer suits will work to dampen union militancy because the union's financial foundation could be destroyed by one large, successful suit. Employers, by once again utilizing the courts as injunction mills, will be able to subvert union attempts to achieve justice in court because of the costly legalistic hurdles erected. Moreover, the threat of widespread legal injunctions will force union executives to become a strong policing force to ensure their members do not engage in illegal industrial actions.

The resolution of industrial disputes through the courts poses a major problem for unions, since courts "tend to be inflexible and legalistic and tend to solve 'legal problems', not real industrial relations problems. They deal with the facts of the dispute, not the issues underlying it."(175) Under the old system, the tripartite labour relations board offered a rather 'balanced' quasi-judicial approach to disputes in which there was some confidence that procedures were less formalistic and that settlements would not be based solely on property rights but,
rather, that a kind of sociological problem-solving dimension to resolutions would prevail. (176) Social Credit wants to transfer decisions concerning the levying of penalties against unions "from the court of appropriate jurisdiction, the council, to the Supreme Court, which has no knowledge of industrial relations". (177)

Judge-made common law is inherently "hostile to collective working-class organization" because of the fact that "it grew out of the property concepts which ante-date modern trade unionism." (178) Consequently, the courts historically have been quite conservative in their judgements, favouring employer property rights over other rights. The courts are also a very expensive and lengthy avenue. (179) Employers are usually better equipped and financed to battle on such terrain. The old proverb applies here: "justice delayed is justice denied".

Interestingly enough, while, for the purpose of employer initiated injunctions, the courts have been given a greatly expanded role, in another context, where court intervention may benefit employees, they are formally excluded. The Disputes Resolution Section 137.9(7) of the IRRA empowers the employer to act as penalty giver for employee violations of an order of a Commissioner of the IRC, yet both the IRC and the courts are explicitly denied responsibility for this task. The employer now enjoys a nongrievable right to discipline union members through demotion, suspension or dismissal for failure "to return to work, cooperate with a mediator, appear before a fact-finder or, generally comply with any other order in the Disputes Resolution
section of the new legislation."(180) At the same time there is no punishment outlined for employers who violate this section of the Act. The notion that employers should be excluded from rules governing unions and that management should be allowed to be law enforcers for IRC orders breaches notions of the equality of the law(181) and brings into question the independence of the Council.

Sweeping alterations to the operation of 'free' collective bargaining constitutes a fourth category of change. Most importantly, the power of the state to intervene in the bargaining process has been enhanced so significantly, by changes to the Disputes Resolution Section 137, that it undermines the ability of the parties to bargain independently and freely.

The new Act is structured in such a manner as "to provide for government interference at every stage in the bargaining where the unions might possibly be able to exercise some pressure on their employers". For instance, there are provisions which can force "mediation, binding arbitration, final offer selection, [and] public interest inquiry board recommendations" upon the bargaining process. The Minister possesses the authority to order workers back to their jobs without having to recall the legislature, "special mediators [have] the power to write collective agreements, ... final offer voting [can be ordered] before strikes or lockouts" and unions can be forced to appear before and provide confidential information to mediators, arbitrators, fact-finders and/or public interest inquiry boards.(182) The IRC may, upon the employer's request, immediately file its orders in the B.C.
Supreme Court, allowing the criminal justice system to penalize offending unions with sanctions ranging from fines to jail terms.

Moreover, the concept of essential services is made so comprehensive that it could cover almost any range of workers in either the public or private sector. The Labour Minister is empowered to declare any category of workers essential whenever a "dispute poses a threat to the economy of the Province or to the health, safety or welfare of its residents or to the provision of educational services in the Province". (Section 137.8(1)) According to labour analyst Ed Lavalle, this is a definition the like of which cannot be found anywhere else in the so-called bourgeois democratic world. (183) The definition of essential services has been broadened to any work which can "have an impact on the economy of the province", from past notions which defined it as "services which were essential to life and limb". (184) It is a definition which makes the idea of an "essential service" meaningless because it fails to be exclusionary. The hollowness of the government's declaration that Bill 20 would allow teachers the benefits of full collective bargaining and the right to strike is revealed by the restricted provisions of Bill 19, which pays particular attention to educational workers. The need to protect the rights of innocent third parties (i.e. the public) is the justification for this massive increase in the state's interventionist capacities. However, "the public interest" remains completely undefined and open to interpretation and abuse by the government.
The rationale for the severe restrictions which the amendments place upon workers' right to strike is that too much time is lost to work stoppages in B.C. Hanson admitted that 95 per cent of collective agreements were settled in the province without work stoppages, and that this is a "pretty good record", comparing favourably with other Canadian jurisdictions. But, as the Minister points out:

... British Columbia still loses far more time per worker to strikes and lockouts than industrial nations such as Japan, the United Kingdom, West Germany and others. Our biggest trading competitor, the United States, also loses less per worker. Ninety-five percent isn't as good as we would like it to be. (185)

... The right to strike ... remains intact, but not at the cost of British Columbia's economy and the well-being of its people. (186)

Governments with staples-based economies, as noted previously by Jamieson, tend to adopt restrictive strike legislation on the grounds that the economy is too fragile, and external markets too unforgiving to survive industrial disruption. This rationale is, once again, revealed in Bill 19. The dispute resolution mechanisms found in the statute were grounded in the legacy of the IDIA and other more controversial strike prevention legislation, such as the 1968 B.C. Mediation Commission. Bill 19, however, lacks the legitimation thrust of the IDIA and embraces enthusiastically the harder-edged task of accumulation. Other staples oriented Canadian provinces have not chosen the same policy path as B.C., suggesting that Bill 19 can be interpreted as a document designed to
contribute to the reshaping of the province along neo-conservative lines. Certainly, organized labour in the province perceives the Act to be a giant step in the direction of the state repression of 'legitimate' trade union rights.

In the public sector, while the bargaining restrictive Compensation Stabilization Program is phased out, controls are not. Collective bargaining is constrained by a new "ability to pay" clause (Section 137.96(2)), which makes this criterion the "paramount consideration" in all public sector settlements. The ability to pay is not something which will be established in the process of negotiation across a bargaining table, but rather it is a unilateral declaration by the government which can not be independently verified. The manner in which the concept, ability to pay, is utilized by the government is an abuse of the phrase; it engenders no trust in the employee as to what the employer's real ability to pay is. The manner in which this concept is defined will ensure that a permanent state of wage controls is imposed on the public sector, with the level of compensation to be established annually by the cabinet.

While the strike weapon in general is curtailed through the broad interventionary powers of Bill 19, other sections of the Act seek to neutralize other armaments in labour's war chest. This aspect of the legislation replicates many of the changes introduced by Britain's Thatcher government in 1982. Secondary picketing is so tightly curtailed it is made nearly extinct. Section 85 of the IRRA restricts picketing to the site "where
striking or locked out employees normally do their work." Intermittent employer locations which are not an "integral and substantial" part of the enterprise can not be picketed. And the definition of an ally of an employer who is subject to picketing has been narrowed to "someone who performs work for the benefit of the employer that the employer would normally do himself."(189) Moreover, the onus of proving that a business is in fact an ally is shifted to the union.(190)

This legislation requires the Industrial Relations Council "to restrict the picketing so that it affects only the operation of the employer causing the lockout or strike of the employer." "This could eliminate picketing on all construction sites where there is more than one employer." Moreover, individual parts of businesses are to be treated as if they are separate. This means, for instance, that a pulp mill could not be picketed if this action would put a saw mill on the same premises out of business, even if they have a common owner.(191)

The rationale behind secondary picketing is explicitly rejected by the Social Credit government. The argument for secondary picketing is that if employees are on strike or locked out they are not getting any income. To bring some economic balance to the dispute, the employer, as well, should be deprived of his income. To achieve this end, workers need to be free to picket other work sites owned by the employer or which are allied to the employer, because they are financially subsidizing the primary site which was shut down due to the industrial
dispute. (192) The government's response was to suggest that picketing is always a difficult issue because the picket line is so often a coercive and violent instrument. Philosophically, it felt that picketing should be limited to the primary site; this was the only place where it enjoyed any legitimacy. (193)

Secondary boycotts like "hot edicts", where employers agree not to handle the goods of other employers engaged in industrial disputes, are outlawed (Section 4.1). For small unions struggling against a large corporation, the union in isolation often is unable to bring effective pressure against the employer to ensure meaningful collective bargaining. The labour movement views this as a situation where a lack of balance between labour and management exists --- "no neutrality, in economic terms"; consequently unions have developed the tactic of the hot edict in the attempt to right the balance, although it is not often used. (194) The most notable case of a successful prosecution of a hot edict in B.C. was the Pacific Press union's refusal to handle newspaper advertisements from Famous Players movie theaters as a way of supporting striking concession workers. This action received much criticism from employers and Social Credit members in the province.

Employment contracts which stipulate that the employer only buy goods and services produced from union labour are made illegal under changes to Section 4.1. (195) This amendment voids sections of collective agreements freely negotiated between an employer and workers. Employees have achieved these contract clauses by making
concessions on other elements of their contract. The government retroactively has stripped many workers of their hard fought and legitimate contract rights. This change will have its greatest impact upon the construction trades. In this industry, such contract provisions have been used to ensure a greater measure of job security for union workers.(196)

The government rejected these union practices on the grounds that they constituted an undue restriction upon free trade; they violated "the freedom of the individual or the freedom of the businessman to compete in the free market."(197) The rationale of the government is worth quoting at length:

We believe that the fundamental right, as it relates to free trade and competition, is that two parties who sit down at a table and negotiate an agreement that affects the viability and the jobs of a third party who is not party to those discussions ... is unfair. ...

I guess there's a basic difference in philosophy. We don't think that secondary boycotts should be used as a method to force people in another organization to become unionized. We feel that they should be able to make that decision without that coercive effect of secondary boycotts. ...

... We are quite simply ... ensuring that there is not any undue influence on the employees of a firm who are dependent upon their competitive position in the open market to become unionized or not.(198)

As a package, this set of changes seems to be founded upon the goal of preventing workers in industrial disputes from bringing maximum pressure against their employer. "The effect of this and other provisions is to confine disputes to the smallest possible
area, thereby limiting the strength of the employees in the dispute." (199)

A final section of the Act worthy of note here concerns retroactivity. Section 70 "provides that all changes contained in Bill 19 shall be retroactive and must be applied to any rights or obligations in effect before the Act was passed." This provision clearly breaks with the fundamental principles of justice (200) common to liberal democracy and sets an unfortunate precedent for labour law in Canada.

"The general effect of these proposed changes", according to a Globe and Mail editorial, "is to move the sword of public compulsion from the cupboard to a position dangling by a string over every collective bargaining table." The stated intention of the bill was to generate labour stability (although, as the Globe indicated, the real aim was to "enforce stability"), but what it induced was "rebellion". (201)

It is instructive to note the early advice of James Matkin, the B.C. Business Council's head, now a strong backer of Bill 19. He pointed out in 1975 that:

Where significant group rights are an issue in a democratic society it is imperative to develop a strategy of participatory legislative reform. Even well-founded attempts to regulate the balance of economic power in collective bargaining law may be rendered ineffective and unsuccessful by a unilateral process of reform... (202)

Matkin further observed that the B.C. experience had proved that the passage of laws designed to prevent strikes (making them
illegal) would not necessarily prevent their occurrence. He concludes that:

Although it is true that curbing strikes by law may be possible within narrow limits, experience has demonstrated need to expand the horizon of public attention beyond using the sanctions of law as a remedy for the strike problem. The reality is that the labour relations problems of strikes, picketing, and slowdowns are not legal phenomena. They are symptoms of social problems.(203)

The above suggests that the Socreds are not concerned, in the short term, with industrial peace but rather with modifying collective bargaining to reflect a 'marketplace reality', and are attempting to achieve this in a deliberately confrontational manner. The government tends to view the Act as being episodic in nature, believing that if the episode of Bill 19 can be 'toughed out', calm will ensue. The government fails to realize that, for labour, Bill 19 is not an episode but a way of life, and there can be no calm for organized labour until it is altered. Bill 19 fundamentally affects the process by which trade unions operate in B.C.; it is not simply the equivalent of receiving one bad hand in poker and walking away from that particular game.(204)

Neo-conservatives have shown more willingness to provoke conflict to sharpen the edge of class conflict, and to use the coercive powers of the 'strong state' to instill 'discipline' within its enemies' ranks. This uncompromising stance is necessary to the full implementation of an unadulterated neo-conservative program.
Conclusion

Jose Antonio Vira-Galb, a member of Chile's popular government under Allende, provides a context within which the changes to law in society may be viewed.

The legal system is, fundamentally, a normative instance of history. It defines goals, decides what roads society must travel, and dictates the norms of social action. The legal system, therefore, has within its essence a profound political content; it is not a flower which blossoms in the desert. Law always expresses a vision of society. It also expresses the groups behind this vision and the interests served by conceiving the society in that particular form.(205)

Bill 19, and other legislation implemented since the July 1983 Budget, reveal the Socreds' commitment to abandon the evolutionary logic of liberal industrial relations theory and practice, and replace it with a neo-conservative vision of society. Socred labour legislation should be seen as part of a wider neo-conservative project to reconstitute society's values and institutions. The social democratic elements of society's value system are being challenged by the neo-conservative values of individualism and competition. The B.C. government is propagating the message that the free market is equivalent to democracy, and that the economy functions best without unions. It claims that the market, including the labour market, must be deregulated. The staples based character of the B.C. economy makes this an even greater imperative. Just as business needs to be freed to compete for external markets, labour also must be free to compete for
jobs. Unions' control of the labour market must be broken. The 1984 and '87 changes to the B.C. labour code offered distinct advantages to both large- and small-scale capital.

The Social Credit government has chosen to de-emphasize the institutionalization of class conflict and opted to follow a more confrontational path. Union power in relation to employers, the government and its membership is being reshaped by Social Credit. The collective rights, power, and solidarity of organized labour are being eroded in favour of the individual rights of employees to break strikes and subvert other acts of collective industrial action. The 'balance' of the B.C. Labour Code discussed by Paul Weiler has been sharply altered in the employer's favour, and the state has been charged with the responsibility of regulating strikes to ensure that the province's international competitive position is not compromised. The countervailing power of organized labour is being neutralized. These Social Credit policies are informed by a philosophy of non-unionism, that seeks to reduce the power of unions as far as is politically possible.

In the 1980s, Social Credit in B.C. has tended to view the liberal notion of 'free' collective bargaining, with the guaranteed right to strike, as a luxury possible only in a more affluent period. Industrial relations, in their view, should be governed increasingly by common law, with its respect for the institution of private property. In the past, liberal notions of collective bargaining have been defended on the basis that they introduce "a form of democratic participation by workers in
designing the rule of law that affects them most directly, i.e., the terms and conditions of their employment." (206) Richard Hyman reminds us that in collective bargaining:

[serious negotiation involves the overt or implicit threat of collective action, the mobilisation of the power of the membership, if a satisfactory settlement is not achieved. Strikes and related sanctions are a vital weapon of the working class in pursuing its industrial objectives. (207)

Bill 19 and previous Social Credit legislation, move a long way down the road to disenfranchising workers in B.C. of their industrial citizenship. It is worth recalling U.S. Senator Wagner's defence of liberalized labour law: "The right to bargain collectively is at the bottom of social justice for workers, as well as the sensible conduct of business affairs. The denial or observance of this right means the difference between despotism and democracy." (208)

Social Credit has imposed a new industrial relations regime in B.C. and, in doing so, it has broken the informal social contract, explored in Chapter 2, reached with labour in the post-war period. Under Socred leadership, the Keynesian industrial relations system never became firmly rooted in the province, although it did seem to have gained acceptance in the immediate post-NDP government period. However, the tensions of the 'new economic reality' of the 1980s unhinged the material foundations for this system, allowing a neo-conservative agenda to be introduced. The stage has been set either for the return to a previous era of labour-management, labour-government turbulence or for the move towards an
American-style industrial relations system with trade unionism much weakened.
Notes


7. Ridell, op. cit., p. 15


9. Jamieson, Industrial Relations, p. 117


11. Craven, op. cit., p. 6

12. Pentland, op. cit., p. 18

13. Jamieson, Industrial Relations, p. 116

14. Craven, op. cit., p. 357

15. Jamieson, Industrial Relations, p. 117

16. Craven, op. cit., p. 7
17. Russell, op. cit., p. 228


19. Craven, op. cit., p. 355


25. Woods, op. cit., p. 119


27. As quoted in Panitch and Swartz, op. cit., p. 137

28. Ibid., p. 156


33. Ibid., p. 196

34. Leo Panitch and Donald Swartz, From Consent to Coercion: The Assault on Trade Union Freedoms (Toronto: Garamond Press, 1985) pp. 13-14, 22, 59

35. Jamieson, Times of Trouble, p. 384

36. Province of British Columbia, Department of Labour Annual Report 1947 (Victoria: King's Printer, 1948) p. 43

37. Jamieson, Industrial Relations in Canada, p. 124


40. See Jamieson, Times of Trouble, pp. 374, 383


43. Mitchell, op. cit., pp. 409-411


46. Province of British Columbia, Ministry of Labour, B.C. Labour Directory 1985 (Victoria: Queen's Printer, 1986) p. 10, Table 1

47. Artibise, op. cit., p. 5


49. Joseph Weiler, op. cit., pp. 48-49

50. Paul Weiler, op. cit., p. 5

51. Riddell, op. cit., p. 16

52. Joseph Weiler, op. cit., p. 23

53. Ibid., p. 24

54. Ibid., p. 26

55. Ibid., p. 26

56. Artibise, op. cit., pp. 13, 24-25

57. Paul Weiler, op. cit., pp. vi, 9


62. Leo Panitch and Donald Swartz, From Consent to Coercion: The Assault on Trade Union Freedoms (Toronto: Garamond Press, 1985) p. 33. Steve McBride, while not dismissing Panitch and Swartz's argument, adds a useful caution to their argument. As McBride observes:

Even regular suspension of the "rules" is not the same as a systematic restructuring. Rather, the industrial relations system seems to be experiencing a rather complex hiatus in which quite different alternatives --- ranging from outright coercion to attempts to create new legitimation mechanisms through cooption --- are being debated and, to an extent, experimentally put into effect. The end results might be increased fragmentation rather than the emergence of a single new system.*


64. Ibid., p. 25


66. This is the opinion of Bruce McCall, a B.C. labour arbitrator, as stated on "British Columbia's Proposed Labour Legislation --- The Industrial Relations Reform Act, Bill 19" a CBC Radio Vancouver Special Program, June 5, 1987 (5:00 to 6:00 P.M.).

67. Matkin, "The Future of Industrial Relations", p. 128


69. Provincial Government Advertisement in The Vancouver Province, Sunday, May 27, 1984, p. 30

70. Michael Walker, "Labour Should Study Change in U.K.", The Vancouver Province Sunday, January 15, 1984, p. 30


73. As quoted in Sid Tafler. "Lawyers take opposite views of labour bill", The Globe and Mail, Tuesday, May 15, 1984, p. BC 1


75. "Labour Code 'Undermines union growth'", The Vancouver Courier, Sunday, May 20, 1984, p. 8


77. Ibid., pp. 8-9

78. Interview with Paul Weiler on Vancouver Co-op Radio, "Red Eye" Program, Saturday, May 11, 1984

79. As quoted in "Hurt union, Pizza Hut will pay it", The Globe and Mail, Monday, May 14, 1984, p. BC 1

80. Legislative Department of the B.C. Federation of Labour, op. cit., p. 10

81. Paul Weiler, Reconcilable Differences, p. 48

82. As quoted in "Labour Code 'Undermines union growth'", p. 8


85. Legislative Department of the B.C. Federation of Labour, op. cit., p. 1

86. Segarty, op. cit., p. 3

87. Griffin, op. cit., p. 2
88. Garr, op. cit., p. 165
89. William Bennett, op. cit., p. 11
90. Segarty, op. cit., p. 3
91. Griffin, op. cit., p. 2
92. Ibid, p. 2
94. Legislative Department of B.C. Federation of Labour, op. cit., p. 12
96. "B.C. Federation of Labour Analysis of Draft 34", p. 12
97. Griffin, op. cit., p. 2
98. Mickelburgh, "A Fair Wage", pp. 125, 127
99. Ibid., p. 127
100. A Decima opinion poll in January 1984 reported broad-based support for Expo 86 among British Columbians. For instance, 87 per cent indicated support for the holding of the fair in B.C. and 91 per cent felt that Expo would have a positive effect on job creation. See: Allan Garr, Tough Guy: Bill Bennett and the Taking of British Columbia (Toronto: Key Porter Books Limited, 1985) p. 165
102. Garr, op. cit., p. 167
103. Mickelburgh, "A Fair Wage", p. 144
104. Brian Jones, "Coquihalla project geared for union, non-union firms", The Vancouver Sun, Thursday, September 27, 1984, p. 20
105. William Bennett, op. cit., p. 8
107. Doug Ward, "Labor nearing LRB boycott, building trades chief warns", The Vancouver Sun, Tuesday, October 23, 1984, p. 11

108. Doug Ward, "B.C. labour board losing credibility, lawyer says", The Vancouver Sun, Tuesday, October 30, 1984, p. 11

109. Der Hoi-Yin, "WCB freezes assessments to help firms", The Vancouver Sun, Tuesday, October 23, 1984, p. 3

110. Rod Mickleburgh, "WCB stuns Labor", The Vancouver Province, Friday, January 13, 1984, p. 4

111. "New Chairman at B.C. Compensation Board, The Financial Post, January 7, 1984, p. 34

112. Labour Canada, Labour Standards in Canada, 1986 (Ottawa: Minister of Supply and Services, 1986) p. 34


115. Ibid., p. 174


117. Mr. Gabelmann, B.C. Hansard, Vol. 3, No. 21, June 1, 1987, p. 1482

118. Joseph Weiler, op. cit., pp. 27-28

119. Drusilla Wilson, Assistant Director, Bargaining Division, B.C. Teachers Federation, Personal Interview, June 12, 1987, Vancouver.


122. Wilson Interview


129. "Vander Zalm responds to Leslie criticism", *The Vancouver Province*, June 7, 1987, p. 42


132. Mr. Clark, Ibid., p. 1546

133. Honourable Lyall Hanson, "A Guide to the Industrial Relations Reform Act (Bill 19)", mimeo, May 1987, p. 2


136. Hanson, "A Guide to the IRRA", p. 8

137. Province of B.C., "Initiatives Promote Individual Rights and Freedom", p. 2

138. Hanson, "A Guide to the IRRA", pp. 8-10

139. Ibid., pp. 10-11

140. Weatherbe, "Labour's love lost, again", p. 4

141. David C. McPhillips, "Employer Free Speech and the Right of Trade-Union Organization", *Osgoode Hall Law Journal*, 20,
1982, p. 139

142. Paul Weiler, *Reconcilable Differences*, p. 36

143. Ibid., p. 40

144. The classic LRB statement on this question was one delivered by the Saskatchewan Board in 1981 in a case against Super-Valu. The decision reads in part:

   During an organizing campaign, the employees while at work are a captive audience for whatever representation the employer wishes to make to them with respect to the union, whether directly or indirectly, while, on the other hand, the union representatives do not have free access to the employees at the workplace. The employees are economically dependent upon the employer for their livelihood, and, naturally, they are generally highly sensitive to any communications from the employer with respect to union organization, whether direct or indirect. It must also be recognized that the employer may in very subtle ways make its wishes known to the employees. Recognition of all these factors leads the Board to very careful scrutiny of all employer actions, communications and other conduct which might, in the eyes of the employees, constitute open or tacit efforts to interfere in the decision of the employees. In such circumstances the employer should remain strictly neutral, and where the employer takes any actions which stray from strict neutrality, he runs the risk of impinging upon the employees' right to choose or not choose a union without interference from the employer.*


146. Matkin, "The Future of Industrial Relations", p. 129


480


151. On this point, the assessment by the law firm Jordan and Gall should be consulted. Selected quotations of their evaluation of the impact of Section 37 changes were cited by Mr. Gabelmann in *B.C. Hansard*, Vol. 3, No. 24, June 3, 1987, p. 1557.


154. Tom Fennell and Susan Deaton, "The unions' war in the West", *Western Report*, June 16, 1986, p. 17

155. Ed Lavalle, Coordinator Labour Studies Program, Capilano College, Vancouver, B.C., Interview, June 16, 1987


157. As quoted in Millis and Brown, op. cit., 440


162. Ibid., p. 25

163. John Walters, President of the College-Institute Educators' Association of B.C., Vancouver, B.C., letter to The Honourable William Vander Zalm, May 1, 1987, p. 4

164. Ibid., pp. 4, 6
165. Hanson, "A Guide to the IRRA", p. 7

166. Mr. Gabelmann, B.C. Hansard, Vol. 4, No. 3, June 1987, p. 1633

167. Kelly, op. cit., p. 23

168. Hanson, "A Guide to the IRRA", p. 1

169. B.C.'s NDP legislative labour critic, Colin Gabelmann, argued that the place to protect individual rights was not in labour legislation but in the human rights code. A labour code, he maintained, was an inappropriate place for such protection because it is not an Act concerned with individuals. "It is legislation dealing with the parties who have collective agreements, or legislation which allows people to get to a stage where they can enter into a collective agreement. These are collective rights and are guaranteed under this legislation." B.C. Hansard, Vol. 3, No. 21, June 1, 1987, p. 1496

170. Lavalle Interview

171. Kelly, op. cit., p. 23

172. Hanson, "A Guide to the IRRA", p. 4


175. B.C. Federation of Labour, "Bill 19 (Amended)", mimeo, n.d., p. 2

176. Lavalle Interview


179. Walters, op. cit., pp. 3-4.

The conservative character of the Canadian court system is reflected in the Supreme Courts' ruling that the fundamental "freedom of association" did not mean that unions had the liberty to carry out the actions for which they had associated, namely, the right to bargain collectively and to strike. The Court argued that: "The modern rights to bargain
collectively and to strike are not fundamental rights or freedoms." Instead these are considered limited rights "of relatively recent vintage" which are legitimately regulated and curtailed by government.* By contrast the Supreme Court has been very generous in its protection of employer property rights. As Allan Hutchinson, professor at Osgoode Hall Law School, has observed:

The courts haven't hesitated in extending human rights and freedoms to corporations --- which is what most employers are. They have taken the charter's references to "everyone" to include corporations and, in case after case, protected corporate "free speech" and "liberty" from government regulation. Yet what is a corporation but an artificial entity to allow individuals to combine, often anonymously, to strengthen their economic position and standing? Surely, what's good for the corporate goose should be good for the union gander.**

* Tom Philip, "No right to strike", Western Report, April 27, 1987, p. 24
** Allan Hutchinson, "Unions have to go political after letdown of the charter", The Globe and Mail, April 16, 1987, p. A7

180. Valerie Casselton, "Key clauses of proposed legislation cause alarm", The Vancouver Sun, April 9, 1987, p. B1
182. B.C. Federation of Labour, "Bill 19 (Amended)", p. 6
183. Lavalle Interview
184. Mr. Gabelmann, B.C. Hansard, Vol. 4, No. 12, June 16, 1987, p. 1799
188. Walters, op. cit., p. 9
189. Hanson, "A Guide to the IRRA", p. 8
On the one hand, the political process has sanctioned a wage determination system that is based on free collective bargaining which guarantees the right to strike. On the other hand, ad hoc measures have been taken that may have paralyzed the system and removed various rights essential to its smooth functioning.

... Ad hoc laws that inhibit the right to strike may cause imbalances in the system which, in the final analysis, depends on a balance of forces.*

* Ouellet, op. cit., pp. 5-6

206. Joseph Weiler, op. cit., p. 56

207. Hyman, op. cit., pp. 189-190

208. As quoted in Millis and Brown, op. cit., p. 3
Chapter 8

Labour's Resistance to Bill 19

Introduction

What's at stake is our right, as workers, to some control over our lives, to decent living standards and working conditions and to the minimal protections, on and off the job, that workers have won over hundreds of years of struggle. What's at stake is our right to form democratic, militant unions, unions responsive to workers' needs, not to the employers' wish of higher productivity and higher profits at workers' expense.

Today the challenge we are facing in the organized labour movement is as tough and critical as the challenges workers faced when they organized. We have some fundamental choices to make and these choices will have a dramatic impact, not just on our existing trade union rights, but on the shape of our whole society for decades to come. (1)

While postal union leader Jean Claude Parrot was addressing the more general challenges posed to workers in Canada as a whole because of an employer and government offensive against unions, his observations bear directly upon the labour relations situation in British Columbia as it appeared in 1987. Bill 19 directly threatens organized labour's right to wage an effective defence of its members' interests against employers eager to roll back former wage and benefit gains, and capital's efforts to deunionize many establishments altogether. Labour's task has been to devise an effective response to defeat this government-supported strategy.
B.C. labour's struggle, emanating out of the introduction of Bill 19 constituted, at one level, a continuation of the battle begun in 1983 against Social Credit neo-conservative public policy. However, the tactics of the government had altered by 1987, necessitating a rethinking of oppositional reaction. The strategy devised by the B.C. Federation of Labour (BCFL) to defeat Bill 19 rested on a boycott of the new Industrial Relations Council. This strategy has been challenged by those who claim that it is too weak to effectively combat the thrust of this legislation. Some within labour's ranks argue that only a decidedly militant response, nothing short of a protracted general strike, will force the state and capital to listen to organized labour's demands.

The debate within the labour 'fraternity' continues and its implications and ramifications are vitally important to the future of the labour movement in the province. Clearly, both of these responses represent a departure from the consensual industrial relations system and practices of the 1970s. The 1980s in British Columbia is a period in which industrial relations have become more conflictual, as a result of the increasing failure of the state and capital to recognize the trade union as a legitimate force which must be bargained with in good faith.
The Responses to Bill 19

The Social Credit government demonstrates a resemblance to the Reagan administration, it is argued herein, because of its implementation of the New Industrial Relations (NIR) system, premised upon a "union-free doctrine". Since World War II, "the state has underwritten union power",(2) or at least the union's legitimacy to operate. However, as Jack Barbash observes, the U.S. Department of Labor, under Reagan's Presidency, "took on an antiunion face".

... Reagan's labor policy ... emboldened American business to carry on NIR with assurance that it would not be undercut by an unsympathetic administration. This could be the most significant realignment of all, and this is why political action tops the union counter-strategy.(3)

Like its counterpart in the United States, Bill 19 was directed at facilitating and nurturing an anti-union ideology and practice within management's ranks. The Vander Zalm administration's attempts to end the state's and capital's previous acceptance of trade unionism, so as to ensure a measure of stability in the labour-management relationship, required something of a 'leap of faith' on the part of the business community and the public. The Premier contended that any short-term pain experienced in the form of labour strife would be more than compensated for, in the long run, by a new era of industrial peace,(4) when the powers of unions are broken and the province freed of the strike threat.
Corporate leadership's public reaction to the introduction of Bill 19 was decidedly favourable. The B.C. Construction Association called Bill 19 "fair, balanced [and] long overdue".\(^{(5)}\)

For Bill Goldy, a chief executive officer with the B.C. Chamber of Commerce, the legislation was aimed in the right direction and did not even "appear to contain anything controversial." Mining Association spokesman Tom Waterland said: "It appears that they're trying to get a balance, and a bit more say by the rank-and-file workers into the acceptance of (employers' contract) offers. If that's the direction they want to go, then it has to be positive."\(^{(6)}\)

However, business did voice some concerns privately, and to a lesser degree, publicly. Initially, James Matkin indicated a concern that the legislation might have gone a little too far in the employer's favour. As he asserted: "When a system depends on balance between two sides, it is unreasonable to believe you can have it all your own way." The hesitation on the part of some business leaders was founded upon the fear of labour relations disruption which Bill 19 might cause. This was expressed by the vice-president of MacMillan Bloedel Ltd., Gary Johncox, who noted: "The curtain is opening on the greatest period of uncertainty I've ever seen."\(^{(7)}\) Another of business' concerns was that a government bureaucrat, the Industrial Relations Commissioner, had received so much power to intervene in labour disputes in the province.\(^{(8)}\) Amendments to Bill 19 in May 1987 which, in part, limited the powers of the Industrial Relations Commissioner, transferring them
to the Cabinet, seemed to ease these reservations, and on the whole, the corporate community was pleased with the change.

Organized labour vehemently objected to the thrust of Bill 19. Cliff Andstein, the B.C. Federation of Labour's Secretary-Treasurer, charged that the legislation was a breach of the consensus which had previously underlain the social contract. As he observed:

For 40 years labour legislation has been seen to be something that must be accepted by both sides; workers understand they are partners in a system. Although it isn't legal and binding, there is a moral contract and government and employers are breaking that agreement. I believe that moral contracts are just as binding as legal contracts. (9)

For Andstein, part of the social contract entailed a consensus on the ways labour and management conducted their affairs within the work world. Both parties had to agree on the basic administrative mechanism of labour relations. Labour and management may not have liked everything in the labour laws, but a consensus was formed as to how labour relations would regulate the behaviour of the two parties. Agreement between trade unions and corporations about this structure was the foundation upon which post-World War II labour relations were built. The source of Bill 19's challenge to this consensus rests upon a changing perspective among corporations about the existence and role of unions.

In the 1950s and 60s, Andstein contends, large enterprises really preferred to operate as unionized companies because the presence of unions ensured a stable workforce and regularized and
stabilized employment conditions and negotiations. With the increasing internationalization of capital and the end to full employment, however, corporations increasingly have moved away from this position. Andstein suggests that, increasingly, "the new paradigm for the corporations is a non-union environment."(10)

According to B.C. labour, Bill 19 is a right wing, revolutionary measure that will not bring forth long-term stability and increased investment but, rather, will induce greatly intensified labour-management conflict. This unstable labour relations climate will discourage the private sector from investing in the province. Labour regards the legislation as a fundamental attack on democratic principles directed at nothing less than the complete destruction of trade unions in the province.(11)

Labour's assessment of the situation corresponds to that of the professional labour relations community. Joseph Weiler, labour arbitrator and law professor, agreed that Bill 19 was radical in its impact and decidedly weighted in the favour of employers.(12) As well, Jim Dorsey, the secretary of the Arbitrators Association of B.C., and Bruce McColl, a respected labour relations arbitrator, agreed that Bill 19 was provocative to labour and would undermine the basis of the current industrial relations system. Dorsey noted that the "legislation degrades the role of trade unions in our society and economy by diminishing their rights." And both suggested that the statute would result in a good deal of labour turmoil.(13)
Labour's Plan of Action

Organized labour's response to Bill 19 did not simply take the form of rhetorical denunciation; a plan of action to concretely combat Bill 19 was also developed. The government's decision to unilaterally alter the consensual structure of the labour relations system, it would seem, compelled the trade union leadership to withhold its support for the new Industrial Relations Council. The largest labour central in the province, the B.C. Federation of Labour, representing some 250,000 unionists opted for a strategy of boycotting the IRC. The decision to endorse a boycott rested upon two cornerstones, according to labour lawyer Leo McGrady, one: "that the law itself lacks 'validity', and, two: "that lack of 'validity' is a significant factor to be considered in determining whether or not to engage in civil disobedience." BCFL president Ken Georgetti argued that provocative legislation is a breeding ground for disobedience from people negatively affected by it, and that Bills 19 and 20 were examples of this type of damaging law. A Federation document outlined labour's logic in these terms:

This program is designed to stop the legislation but also is based on the principle that we will not be governed by bad laws. A continuing policy of boycott, non-compliance and non-cooperation can be an effective and aggressive strategy if it is maintained and enforced.

The boycott strategy was adopted on the basis of several past experiences. They included labour's reactions to, and the outcomes of, the Compensation Stabilization Program (CSP), and the
1984 Labour Code changes, the very different experience of the 1968 Mediation Commission boycott, and the BCFL's rejection of an unlimited general strike strategy. When the Social Credit government introduced the 1982 Compensation Stabilization Act, which brought wage controls to public sector workers, the unions decided to boycott the program. The boycott failed because the public sector unions obeyed the guidelines, either through self-policing or by formally participating with the Commission. By the end of 1987, for example, of the 4,500 public sector labour contracts, nearly 4,000 were negotiated within the guidelines; of the 500 which were rejected, nearly all were eventually "voluntarily reduced to meet the wage control requirements."

The CSP has not been obliged to impose one contract because the bargaining parties voluntarily stayed within the program's guidelines. The legitimacy and authority of the CSP were achieved and maintained because of labour's implicit acceptence of the wage controls. The government had succeeded in making labour, at least tacitly, abide by its legislation. Undoubtedly, the general public saw the curtailment of public sector wages as legitimate, and the unionists, while unhappy about the constraints on their wages, were less militant, given the economic crisis.

The same 'mistake' was made by organized labour in the case of the 1984 Labour Code changes. While labour made loud protestations concerning the injustice of the changes, in the end it legitimized the new law by deciding to participate in the process. Labour went to the Labour Relations Board and presented legal arguments in an
effort to "limit the impact of the amendments."(19) However, by using the government-created mechanisms to 'challenge' the new law, labour actually demonstrated its recognition and support for the process which had brought about the objectionable legislation, thereby legitimizing the amendments. A partial explanation for labour's attitude at this stage must be accounted for in terms of its post-Solidarity state of exhaustion. Some of the divisions within its ranks, hidden during the actual 1983 struggle, had resurfaced. Consequently, organized labour was not in a state of readiness to once more directly confront the government.

Andstein contends that the problem is the labour movement's excessive dependency upon established legal structures. He states:

... the labour movement has become too legalistic, too dependent on legislation in defending itself. Forty years of operating within a legal framework has caused much of the movement to forget that government intervention on our behalf occurred because union and workers were willing to operate outside the legal framework, to defy existing laws, to carry out strikes when necessary (legal or illegal) and go to jail if needed. Even in the sixties and seventies, federal and provincial government workers finally obtained collective bargaining rights only after strikes in defiance of the law, rallies, protests and political organizing.(20)

The boycott strategy, furthermore, points to another aspect of labour's approach to fighting anti-union legislation, that is, its former dependence on electoral solutions. While, clearly, the electoral defeat of the Social Credit government remains a major objective for the trade union movement, the boycott strategy also provides evidence that labour in B.C. is recognizing "that it has
permitted its vitality and development to be coopted by the legislative process and that its own independence and survival now require a reassessment of its historical reliance on legislative solutions.\(^{(21)}\) Evidence of this direction was forthcoming before the introduction of Bill 19, at the 1986 B.C. Federation of Labour Convention, when out-going president Art Kube noted that unions had to turn away from their dependence on the legislative process and return to the tried-and-true tactics of the labour movement. He advocated non-legislative channels, such as job action and industry pressure, tactics which he described as "more militant, more vocal, more confrontational, but also time-proven."\(^{(22)}\)

The post-war social contract, Andstein reminds us, was won through militant worker action, "much of it outside the existing legal framework."\(^{(23)}\) It was class struggle which in part created the welfare state, and a less institutionalized form of that struggle is now required to preserve the benefits now threatened by neo-conservative policy directions. Labour has become constrained by the ideology of the rule of law, an ideology acceptable and even beneficial in times of economic expansion, when a positive sum politics was practiced and there was growing recognition of labour's rights and interests. Being bounded strictly by the rule of law in a period where zero sum politics prevails, however, offers very little to labour, which is increasingly seeing its formerly won rights eroded. Given this scenario, a more militant approach must be contemplated. "The boycott", according to Andstein, "is the one way to ensure that
the illegitimacy of Bill 19, Peck and the IRC are continually kept in the forefront." Moreover, by defying the IRC and the courts, the unions will be able to demonstrate "to their members and the public the impotency and ineffectiveness of the IRC and Bill 19". (24)

The boycott strategy is clearly modeled after the successful labour boycott of the Mediation Commission Act created by the Socreds in 1968. Labour's refusal to recognize or participate in the Commission made the institution unworkable and in the end employers and even the government itself were forced to deal with the unions directly and sidestep the Commission. The labour turmoil resulting from the law and the unions' campaign of civil disobedience to it were credited with helping to achieve the 1972 defeat of the W.A.C. Bennett government. Veteran trade union activist Ray Haynes outlined what the Mediation Commission defeat entailed.

It wasn't the boycott itself that got rid of the legislation. It was the realization by government and industry that the legislation wouldn't work. And they didn't come to that realization by our just telling them it wouldn't work. It was what we did that convinced them we were serious.

We weren't just avoiding the law or trying to do an end run around it. We were defying the law. When they told us to take down our pickets we kept them up. When they ordered us to go back to work we stayed out. And not just when the Commission ordered us. When those same orders were turned into Court decisions, we refused to obey them. We refused to be spooked by the courts.

... The boycott succeeded because union leaders made the conscious decision not to skirt around the laws but to push them to their limits.
They didn't just refuse to obey an order until it was registered in the courts, and then cave in. That gets you nowhere. That doesn't tell the government and employers that you're serious. Caving in before the courts tells them you're not serious. Union leaders went to jail because nothing less would make the point. (25)

The danger which unions face with Bill 19, like the CSP, is "being intimidated by the Industrial Relations Council, the government, the courts into accepting inferior settlements in order to avoid a confrontation." (26) The government clearly hoped that, after an initial protest, labour would fall into line with the new policies.

Sharon Yandle has stated: "There can be absolutely no cooperation with laws intended to destroy unions." (27) And for Andstein, the IRC possesses no moral authority; the only way that its decisions can be enforced is by the use of the state's coercive apparatus, that is, the courts and the police. (28) But this climate of coercion can not bring about an acceptance of the new law. As Gordon Gibson noted in the Financial Post, Bill 19 "will be disobeyed, and laws that invite disobedience invite disrespect for the law itself." (29) If organized labour follows through with its boycott strategy, widespread consent toward labour law is clearly at an end in British Columbia.

The leadership of the B.C. Federation of Labour, as discussed in detail below, was convinced that a protracted general strike was not the most effective or desirable strategy to combat Bill 19. Rather, the BCFL turned to the example of labour's successful
boycott of the Mediation Commission as the strategy most likely to
guide the B.C. trade union movement to victory. (30)

The Oxford English Dictionary defines boycott in the following
manner:

To combine in refusing to hold relations of any
kind, social or commercial, public or private,
with (a neighbour), on account of political or
other differences, so as to punish him for the
position he has taken up, or coerce him into
abandoning it.

Elaine Bernard explains that boycotts are a political action,
"mass in character and their success depends on the solidarity of
boycotters". The first boycott was initiated by Irish tenant
farmers in the 1880s seeking a reform of discriminating land laws
against their British landlords. The resistance took the form of a
boycott of the British laws, most notably a refusal to pay rents.
The mass character of the illegal action eventually forced the
British administration to introduce political change.
Subsequently, the boycott was utilized by the labour movement as
one of its weapons. As Bernard notes: "The strike was labour using
its power as producers of goods and services. The boycott used
labour's power as consumers and citizens." (31)

It must be noted, however, that when labour laws are the
subject of a boycott, as currently in B.C., the resulting
industrial relations turmoil will, like the strike, have the
effect of disrupting the production of goods and services in
society as well. While a boycott is a non-parliamentary, political
expression that seeks to alter public policy, it is being used at
the worksite. This means its effect is the disruption of work
relations, which coincides with a disruption in business
operations and a negative perception of B.C. as an unfavorable
business climate by international capital. The boycott, while it
is a political act, derives its strength from labour's ultimate
power to retard and hamper economic activities.

The B.C. Federation of Labour's Program of Action contained
three identifiable phases. Phase one was a media and education
campaign designed to inform the public and union membership of the
negative impact of Bill 19 in an "effort to build public
opposition to the labor law."(32) The Federation spent $200,000
in an ad campaign, highlighted by television spots featuring Ken
Georgetti pleading with Premier Vander Zalm to withdraw the
legislation and meaningfully consult with labour. The underlying
message was that labour sought to prevent the confrontation which
Bill 19 was fomenting. The government, in response, launched its
own media campaign, spending some $400,000 to sell the virtues of
Bill 19.(33)

The BCFL also expended considerable energy and resources to
inform its membership of the dangers of Bill 19, thus building the
foundation for the grassroots support necessary to the trade union
movement's battle with the government. This campaign, by all
accounts, met with considerable success.(34)

The government maintained that it enjoyed broad support for
its legislation and that even most union members supported its
initiatives.(35) However, public opinion polls revealed that, at

499
least in the short run, labour had been successful in making its case. They revealed that the public opposed confrontation and believed that Bill 19 was confrontational. One poll indicated that 73 per cent of B.C. residents objected to Bill 19, and 50 per cent wanted it totally withdrawn. (36) To demonstrate the rank-and-file trade unionists' opposition to Bill 19 and their support for the BCFL's Program of Action, the Federation conducted a comprehensive polling of its members. The survey revealed that 91.6 per cent opposed Bill 19 and endorsed their union's campaign of opposition. (37) The BCGEU's attempts to hold its membership survey at the workplace met with the government employer threatening disciplinary action against those participating, (38) a clear indication of the government's willingness to utilize coercion to intimidate workers. In the end, however, 88 per cent of the BCGEU membership surveyed were opposed to Bill 19. (39)

The second phase of the BCFL program was a campaign involving displays of labour's power, to be directed at the government and business. Included were industrial actions at the work site and the staging of various rallies against Bill 19. The measures targeted at the level of the work place encompassed a work-to-rule campaign and a ban on overtime. The disruptions in the production process generated by these actions were designed to give employers a lesson in "the value of employee cooperation". (40)

Work to rule "means keeping strictly to laid down rules or instructions issued by management ... or written job
descriptions."(41) Workers only do the minimum of what is required of them. BCFL staff person Tom Fawkes noted this meant that workers would "follow the rules to the letter. If the contract says a coffee break is from 9:15 to 9:30, you take it between 9:15 and 9:30, no matter what the employer wants you to do." Also, union stewards were instructed to use the "grievance procedure 'liberally' and follow health and safety regulations to the letter." In a bid to avoid antagonizing the public, essential service workers, such as nurses, and emergency situations were exempted from the action. If employers had complaints about attendant disruptions in their business operations, they were advised to make them to the government.(42) Additionally, all boards and agencies involving employers and government were also boycotted.

The purpose of this action was two-fold. First, it would directly emphasize to employers that labour relations and law require the cooperation and consent of workers; without this, the production process will be subject to disruption and instability. And secondly, it was aimed at changing the attitude of the business community toward Bill 19, to convince employers that support of the legislation was contrary to their interests, and to motivate them to lobby the government to alter the law. Interestingly, the 1984 amendment to the Labour Code broadened the definition of a strike to include employee activities designed to limit commerce. While the Federation's work to rule campaign was not challenged in the courts, it could be argued that this type of
activity might now be illegal due to neo-conservative labour law reforms.

The second aspect of phase two of labour's resistance took place in May 1987, in a series of union rallies held across the province. The largest occurred in Vancouver, where an estimated 7,500 to 10,000 protesters were in attendance. This series of actions culminated on June 1, 1987, when the BCFL called for a one-day general strike as visible evidence to the government that rank-and-file workers supported its labour leadership in opposing Bill 19. In part, the strike action was also called to give some satisfaction to elements of the trade union movement seeking a more militant response from the Federation, an issue examined below.

The general strike, or the day of general protest, as some union leaders preferred to term it, was called with only four days advance notice. The strike constituted a test of both labour's resolve to fight Bill 19 and the government's contention that it had broad support for its measures. The numbers participating in the strike would provide a rough measure of rank-and-file discontent with Bill 19 and the government. Social Credit responded with a two-pronged initial reaction. Vander Zalm charged that workers were being intimidated into joining the walkout by union leaders, and pointed out that Bill 19's amendments to labour law would protect workers from such union intimidation in future. The Premier urged employees not to bend to such intimidation and to report to work as usual. Also, the
government threatened the unions with unspecified legal sanctions if they proceeded with their walkout. Vander Zalm noted that the strike would be illegal and that he would urge the Attorney-General, Brian Smith, to block it. For his part, Smith contended that the one day general strike was a: "massive conspiracy to break the law. It's an unlawful activity. All these people belong to unions that have valid contracts with their employers."(47)

The government's perspective was shared by the business community. One of their leading spokespersons, James Matkin, argued that the strike was illegal and a violation of B.C.'s democratic values. "As long as we live in a democratic society we value a change in legislation not by guns or protests but by changing the hearts and minds of the legislature", Matkin contended.(48) The government attempted to intimidate the union movement into backing down, by defining in advance the one day strike as a violation of democratic practice.

The labour movement was forced to mobilize quickly. The BCFL asked non-affiliated unions to participate in the action and all other significant labour organizations, including the Confederation of Canadian Unions, obliged. The B.C. Teachers' Federation took a few days to decide if it would take part, since it had already engaged in its own one day strike against Bill 20, but, in the end, decided that the teachers too would participate.(49) Once again, essential service workers were exempted from the action.
The BCFL devised a cross-picketing strategy to prevent many employers from taking legal action against the strikers. This scheme involved having workers picket establishments other than their own, so that those sections of union contracts which allowed employees to refuse to cross picket lines could be invoked. Picket signs also did not include the word 'strike'; rather, the signs were clearly marked to indicate that the workers were protesting Bills 19 and 20.(50)

The strike was a rather low-key affair. There were no marches or rallies; instead, the shutdown was conducted in a calm and orderly manner. It was estimated that some 300,000 workers took part in the general strike, in a total workforce of less than a million,(51) an impressive display of union solidarity. Public transit and ferry services were closed, government offices, liquor stores, coal mines, fish processing plants, and the forestry sector were all virtually shut tight,(52) about 70 per cent of the province's teachers stayed home,(53) and numerous other business activities were affected.

In total, it was calculated that the strike cost the economy of the province $100 million in lost salaries and business.(54) But perhaps more serious, according to Richard Allen, chief economist for the B.C. Central Credit Union, has been the damage done to future investments. "This only increases the perception that B.C. is a province with a great deal of labor unrest", he noted.(55) However, neo-conservative spokesman Michael Walker disagreed, suggesting that the strike might be perceived
positively by outside investors, as a signal that B.C.'s labour legislation now favours investment, making the province more attractive to business.(56)

The government responded to the one day general strike in truly draconian fashion. Attorney-General Smith filed a writ in B.C. Supreme Court, charging the province's union leaders with "an unlawful conspiracy to shut down the legislature and prevent the passage of Bill 19."(57) The wording of the writ was clearly borrowed from a section of the Criminal Code dealing with sedition. The code notes that any person who "advocates or publishes or circulates any writing that advocates the use ... of force as a means of accomplishing a governmental change within Canada" is guilty of sedition. Similarly, the B.C. government writ sought to restrain anyone from "advocating, or circulating any writing advocating, the use of force ... as a means of accomplishing a governmental change in the province."(58)

But the writ went on to define force as "work stoppages, slowdowns, study sessions, breaking and inducing breaches of collective agreements, intimidation, picketing, strikes by private as well as public employees, general strikes, as well as the wrongful inducements of all the same, as a means of accomplishing a governmental change."(59) Moreover, the writ argued that: "Resisting legislative change, showing Her Majesty has been mistaken in her measures, pointing out errors in the government of the province, procuring alteration of any matter of government, or otherwise interfering with, intimidating or subverting the
democratic and constitutional law making process in the province"
was seditious activity which the court should restrain.(60)

The writ was evidence that the Vander Zalm administration
regards trade unions as the "enemies of the state and economy"(61)
and as seditious institutions whose "political" activities must be
checked by the coercive arm of the state. The broad manner in
which the government defined force and seditious political
activity was alarming to all those concerned with civil liberties.
For instance, University of Victoria law professors Jamie Cassels
and Andrew Petter noted that the "force" which the writ opposed
was not violent insurrection but "the democratic 'force' of
political protest." They further indicated that: "Since the
abolition of slavery and indentured servitude the courts have
refused to compel people to work or to put them in jail for
failing to do so. Yet that is precisely what the attorney-general
now asks the courts to do."(62) The Financial Post's John
Schreiner was also very critical of the government, noting: "The
powers sought by the B.C. government in this court application are
an affront to democracy. The situation in the province has not yet
reached the point of 'apprehended insurrection.'"(63) This action
by the government demonstrated the eagerness of the Socreds to
abandon the velvet glove for the clenched fist; the turning away
from consensual solutions toward neo-conservative style
confrontational tactics.
Labour's reaction to the government writ was perhaps best expressed by Hospital Employees' Union (HEU) leader Jack Gerow when he stated:

We do not intend to act defensively, we do not intend to act passively, we do not intend to be muzzled.

We intend to see our lawful right and moral responsibility to speak out is secured.

We're of the view British Columbians are entitled to more than the one day of democracy that is election day. We need more than one day of democracy every four years. We have to have it every day.

We have a lot more to say about Bills 19 and 20, but it is not only our right, it is our responsibility. (64)

The HEU enlisted the ex-B.C. Supreme Court judge and former B.C. NDP leader Thomas Berger to challenge the writ in court. (65) The government's legal action was in fact quickly dismissed by the court, with the costs assessed against it. The Justice ruled that the government had failed to prove its statement of claim, providing no evidence of the use of force or "conspiracy to advocate the use of force as a means of accomplishing governmental change". In short, the allegations of criminal conspiracy and sedition were not supported by the facts. (66)

Technically, sedition requires an illegal purpose or an illegal act, such as the overthrow of the state. It does not include the constitutional right to oppose and bring about the peaceful defeat of a government. The issue of the continuity of the state was never in question in the debate surrounding Bill 19. In terms of an illegal act, no violations were committed on June 1, 1987. It is true that the 1984 Labour Code changes no longer
provided sanction for unions to use work shutdowns for purposes of political expression. Workers engaging in such activity were liable to be charged with breach of contract, if the protest was conducted during the life of an existing employment contract. June 1, then, was the day on which unions did not fulfill their obligations under their private contracts. This was not a criminal law problem, but a civil, industrial and sociological problem. As such, it was an action which employers, if they so chose, could grieve before the Labour Relations Board as a violation of their contracts.

In 1976, labour's one day strike against wage controls did not result in the federal government's charge of sedition. It was seen for what it was, an act of political protest. Free people, as Ed Lavalle reminds us, have a right to withdraw their labour. They may or may not be aware of the civil consequences of such action, but only slaves are required to work under the sanction of criminal law. (67) An awareness of this distinction appears to have been lost by the Social Credit Party of B.C. In 1987, labour was regarded as guilty on two fronts; it challenged the authority of the government and the employers, thus showing itself to be an enemy. This perception of labour's actions typifies the neo-conservative world view, a highly divisive, class conflictual perspective, in which democracy receives a very narrow interpretation. There is no conception of democracy in the workplace; instead, the master/servant relationship has been resurrected.
Tactically, the government's charge of sedition was ill-considered and damaging to the administration's public relations campaign to sell Bill 19. An opinion poll on the eve of the strike revealed the extent of polarization over labour's action. The one day general strike was opposed by 48 per cent, while 44 per cent approved the action. As for a protracted general strike, a clear majority of 60 per cent could not endorse such action, but a surprising 30 per cent said they would support it. The government enjoyed a narrow plurality of favour in its opposition to the one day protest. However, 56 per cent of the surveyed public were opposed to penalties for the striking unions. (68) The Socreds' heavy-handed reaction was clearly out of tune with popular opinion.

Phase three of the B.C. Federation of Labour's Program of Action came into effect with the passage of Bill 19 in July 1987. This, the comprehensive boycott of the IRC, was the centerpiece of the BCFL's strategy to defeat the bill. Four major features of the boycott can be identified:

1. No trade unionist is to accept appointment to the Industrial Relations Council. Accepting such an appointment is to be considered by the labour movement to be of the same order as crossing a picket line.

2. Unions will not make any application to the IRC or respond to any application by employers.

3. Any order of the IRC limiting picketing or interfering with hot or unfair declarations will be ignored.

4. Mediators, Public Interest Inquiry Boards, and other intervention into the collective bargaining process by the IRC will also be ignored. (69)
Andstein suggested further, that the broader aspects of the boycott would include the resisting of court orders, the staging of job actions "in support of unions penalized by the IRC, government, courts or employers using Bill 19", and the establishment of co-ordinated collective bargaining strategies. (70)

The general rationale behind the boycott has already been discussed but it is important to point out here that the Federation views it as a long-term strategy that would also exact a price from organized labour. Georgetti expressed it as follows:

There is no doubt that the government will attempt to use sections of Bill 19 to punish unions who boycott the legislation. We never went into this fight believing that the Federation and its affiliates would walk away unscathed from this battle. ...

... [The boycott strategy] is a broad-reaching strategy that will succeed if the labour movement remains united. No one has said that the boycott would be easy. There will, undoubtedly, be a harsh price to pay for our action, but the Federation and its affiliates are prepared to pay the price in order to see Bill 19 defeated. (71)

John Weir of the B.C. Fed described the boycott campaign as involving Gandhian tactics of "passive resistance", that is, the labour movement's refusal to obey the new labour law. (72) Others have described it as a protracted guerrilla war against the IRC. (73)

The Boycott versus the Protracted General Strike: Labour's Strategy Debate
Not all of the B.C. labour movement has been favourable to the Federation's boycott strategy. The Confederation of Canadian Unions (CCU), for one, along with trade union militants within the BCFL, called for a more direct and confrontational response to Bill 19. The Vancouver and District Labour Council in April 1987 unanimously endorsed a resolution which called on the Federation to adopt a "more aggressive plan of attack that could include strikes". Other union locals within the BCFL also were pushing for a harder line against Bill 19.(74) The CCU, however, was and remains the most forceful opponent of the boycott strategy and offers the most detailed and coherent critique of it. It is worthwhile to examine their position in more detail.

The CCU summarized its position in this way:

- We remain completely opposed to the new Industrial Relations Act, and we support all effective and principled efforts to get it repealed.
- We have called on all CCU members to refuse to accept any job created by or supplemental to the enactment of Bill 19. The CCU was the first labour central to do so.
- We will not participate in any way in hearings called to establish policies of the Industrial Relations Council.
- We respect the right of each CCU affiliated union to decide whether, and under what circumstances, to deal with the Industrial Relations Council in order to fulfill the obligations to protect and defend the interests of its members.
- We will fully support all workers and unions which are unjustly dealt with as a result of Bill 19 becoming law.

In a nutshell, the CCU's view is that it will require a confrontation on the scale of a province-wide general strike to get rid of Bills 19 and 20, any strategy which fails to build
toward such a goal is, unfortunately, bound to be ineffective.(75)

The only boycott strategy which the CCU believed might prove effective was one which was "designed to lead toward and encompass a real fight" against the government. This meant there would have to be a total boycott of the IRC without any exemptions; all orders by the IRC or the courts would have to be rejected; and the entire labour movement would have to be committed to the calling of a general strike the moment that any order by the IRC or the courts was used against a trade union. Further, the general strike would only be repealed when the order was withdrawn or a general election was called.(76)

According to the CCU, the shortcomings of the Federation's boycott were evident from the start. The BCFL failed to engage in a direct showdown with the courts or the government when, in the first labour dispute under Bill 19, a back to work order issued by the courts was obeyed by a union local.(77) The CCU charged that this was proof that the BCFL was deliberately evading a conflict with the state. Furthermore, the Federation's boycott strategy was compromised by the fact that exemptions from the boycott were granted right from the beginning. In the case of union certifications, for instance, the teachers were granted an exemption to use the IRC to formally unionize. The Federation's Executive Council was also left solely in charge of granting boycott exemptions, a practice, the CCU argued, which results in the domination and control of the labour movement by the BCFL's
executives and bureaucrats. Moreover, as the CCU pointed out, the Federation admitted that the boycott strategy alone would not be sufficient to defeat Bill 19.(78)

The long-term character of the BCFL's fightback proposal was also objected to by the CCU. They held that it would be much less difficult to defeat Bill 19 before it was enacted than after its passage. To achieve this would have necessitated a general strike which could not be called off until the legislation was withdrawn or the government decided to call an election over the question.(79)

Gene McGuckin, President of the CCU-affiliated Canadian Paperworkers Union Local 1129, argued that the Federation had used the strike weapon only as a limited 'pressure tactic', and that the BCFL had continually underestimated the willingness of the rank-and-file to use militant tactics like the general strike to defeat repugnant legislation. He suggested that the Federation's boycott campaign had worked to fragment the labour movement. Moreover, he maintained that the June 1 strike was "designed more to take pressure off the BCFL leadership than to put it on the Socreds and employers."(80) The president of the CCU, Jess Succamore, agreed with McGuckin that the rank-and-file were demanding a more radical response than the Federation was willing to provide. The membership, according to Succamore, were saying: "No playing around. No work to rule. Shut everything down."(81)

Given this line of opposition to the BCFL's Program of Action, the CCU refused to endorse or fully participate in the
Federation-led Bill 19 fightback. The CCU maintained that they would only participate in actions which they believed to be militant and useful displays of opposition, such as the June 1 strike. Other actions which were perceived by the CCU to be more symbolic, such as the Federation's work to rule campaign, rather than effective forms of pressure, were not followed.\(^{(82)}\) As for the boycott, the CCU adopted the position, as noted above, that they would not accept membership in the Council but would determine for themselves, as the circumstances warranted, when and when not to use the IRC.

In the CCU's view, a successful "fight to defeat Bill 19 depends directly on the ability of the labour movement to organize and mobilize rank and file union members." Such a campaign had "to be rooted in the workplaces of this province, and must be based on the strength of the men and women in those workplaces."\(^{(83)}\) The failure of the BCFL to take quick decisive action, according to the CCU, constituted a betrayal of the working class, one as serious as the Kelowna accord. "Forcing a democratic election to see where people stand", the CCU concluded, "is the closest we can come to delivering that knockout punch."\(^{(84)}\) Consequently, the CCU's Steering Committee unanimously concurred that it could not support the boycott of Bill 19. They also recognized that the size of the CCU, with only 20,000 members in the province, did not offer it "the opportunity to lead the kind of fight that we honestly believe could be effective in stopping Bills 19 and
Not surprisingly, the leadership of the BCFL rejected the CCU's assessment of the situation. However, the results of the BCFL's strategy, with respect to actual instances of unions boycotting the IRC, and the effectiveness of the policy, so far remain unclear. Only after some years will it be possible to provide an accurate assessment of it. The CCU pointed to the case of the Blackdome miners' boycott which clearly was a defeat for the workers involved. Other cases, however demonstrate the boycott's effectiveness. As examples, in November 1987, 30 members of the IWA, striking for their first contract at the North Mitchel Lumber Company mill, were issued cease and desist orders by the IRC. The workers ignored the IRC, continued to strike and were subsequently presented with a court order to end the strike. They also ignored this order, continuing their strike. Eventually, the strike was settled in favour of the workers, and all sides agreed to the dropping of the contempt charges.

More recently, in July 1988, 13,000 pulp workers in the province negotiated a successful agreement with their employers. The pulp unions were armed with an 89 per cent strike mandate.
taken without IRC sanction. (88) The employers accepted the mandate as legitimate and recognized that the unions were determined to strike even in defiance of the IRC. The pulp and paper employers, given these conditions, negotiated a resolution without IRC interference. This case lends some support to the BCFL's argument that the boycott will induce employers to increasingly ignore the IRC when negotiating agreements. (89)

The CCU's charge that the boycott was rendered ineffective because the Federation was compelled to issue exemptions to unions from its coverage, is also debatable. The reason for the existence of boycott exemptions lies in the differences between the boycott of the 1968 Mediation Commission and the current situation. The Mediation Commission dealt only with labour disputes. By contrast, the IRC covers the full range of labour relations, from certifications to strikes. The differing nature of the legislation necessitated that the labour movement modify its boycott strategy in the interests of protecting its membership. A BCFL document noted that "in rare circumstances ... as part of the strategy to obtain protection" any union could apply to the Federation for permission to go to the IRC. (90) A blanket exemption was granted to all unions for the purpose of certification, but an absolute boycott for issues involving contract disputes and grievances was retained. (91) The commitment to the boycott strategy remains intact but its application, Georgetti maintained, required some flexibility. "Setting down a strategy in stone", he noted, "might
make a few people happy but it would fail eventually when we tried to employ it."(92)

The CCU is correct to suggest that the exemptions bring to the fore a tension, if not a contradiction, between the underlying philosophy and practice of the boycott. However, the Federation was confronted with a pressing dilemma over the issue of certifications. In an absolute boycott, labour ran the risk of biting off its nose to spite its face,(93) meaning that the BCFL was confronted with the unpleasant choice of compromising its principle of non-participation in the IRC, or else have the state and employers refuse to recognize any new bargaining units, resulting in a long-term weakening of the trade union movement's organizational base. Furthermore, the true test of the legitimacy of the IRC lay in its effectiveness in dealing with industrial disputes; this is where employers and the public will evaluate the IRC's workings and it is at this strategic location where the BCFL's commitment to the boycott remains firm. Similarly, the boycott strategy will be judged by its effectiveness in defying and rendering ineffective the IRC's management of industrial conflict.

The possibility that the boycott strategy has fragmented the labour movement is rejected outright by the BCFL. Besides the full support of the affiliates of the B.C. Federation of Labour, close to 20 non-affiliated unions with an excess of 150,000 members have chosen to participate in the BCFL's Program of Action. The representatives of these unions have been included on the
The relatively large membership of non-BCFL unions in the decision-making body of the Federation is offered as evidence that the BCFL is not dominating, and does not seek to dominate, other unions. The only significantly sized union in B.C. which did not formally join the Federation's campaign, aside from the CCU, has been the Teamsters, but even they committed their union to supporting the boycott strategy through more informal channels.

Ed Lavalle observed, concerning the level of labour unity in 1987, that during the 1983 struggle there was a sense among some unions connected to Operation Solidarity that they were being pressured by people like Art Kube into taking steps that they were not comfortable with. Most especially with a number of the private sector unions, there was criticism that too many decisions were being made unilaterally by elements of the BCFL executive. Pressure was applied to some unions to conform to the policies espoused by the Federation executive, because several of the unions were slow to adhere to Solidarity's direction. By contrast, there is greater unity and participation in the Bill 19 fight, Lavalle suggests. All unions which have joined the Federation's Program of Action are fully involved at the level of decision-making. As for the CCU, it has played a dual role, according to Lavalle. First, it has given limited support to the most visibly militant labour actions called by the BCFL. Second,
the CCU has remained rather isolationist and individualist in its stance, acting as a continuous voice of criticism. (96)

The CCU's claim that the boycott would not be sufficient to defeat Bill 19 is also addressed by the Federation. The BCFL admits that the boycott, by itself, will not lead to the success of labour's objectives. The boycott "is only one aspect of an ongoing campaign" that will be necessary to defeat the legislation. However, the boycott remains the key plank in this Program of Action because it is the boycott that "keeps in front of people each and every day, the illegitimacy of this legislation ... and forces government and the employer to deal with the fact that we do not recognize their legislation." (97)

Lavalle argues that the prospects for the success of the boycott are good, because eventually the boycott of Bill 19 will result in a severely disrupted labour relations situation. If labour relations become chaotic enough, employers will yearn for stability and the government's naive and simplistic economic development program will be exposed as unworkable and detrimental to both the investment potential and the peace and harmony of the province. The general public's unhappiness with this situation will undermine the political credibility of the government, because the debate surrounding Bill 19 will have been transferred from the realm of theory into the issue of praxis. And, Lavalle suggests, in the final analysis, that what makes things work is of more vital concern to the voting public, and to practically-minded
employers, than the ideological rhetoric surrounding the policy debates generated by political parties. (98)

That the boycott will work to disrupt the state's administrative mechanisms for industrial relations and generate a period of labour unrest, at least into the near future, are also acknowledged by the business press. (99) One prominent labour mediator, Jim Dorsey, agrees that the boycott effectively will undermine the IRC, claiming that it would be "virtually impossible", without labour's cooperation, for the IRC to function effectively. "The glue that binds the legal industrial-relations system together", he noted, "is the overwhelming acceptability of the decisions of the participants." "If the participation goes, the acceptability goes and if the acceptability goes the entire system will become impossible." (100) The question remains open as to whether labour instability and confrontation will in fact lead to the defeat of Bill 19 and the government. Pollster Leslie Storey reminds us that, in labour confrontations, the public tends to blame both the government and labour. (101) Consequently, how this boycott will play politically depends very much on which combatant the public blames more, Social Credit or the unions, and whether the NDP will be seen as the accomplices of organized labour in stirring up societal conflict.

The reason the BCFL rejected the strategy of an extended general strike in 1987 is because it believed this would not secure a victory for the labour movement but, rather, would likely strengthen the hand of the government. John Weir argued that the
boycott was both a militant and a judicious approach because it ensured that the labour movement could fight the battle of Bill 19 over the longer term. And according to Weir, the problem with the general strike is that if you lose it, "what do you do for an encore?"(102) Clearly, the BCFL as a whole concurred with this view.

"The things that you are not doing are always less difficult than the things you are doing", according to Lavalle, a comment which is pertinent to the CCU's critique of the boycott. He points out that general strikes "are politically, economically and ideologically a big thing for working people to chew on. It requires a great deal of organization, cohesion, of credibility and understanding in terms of what you're opposing."(103) The June 1st strike was very impressive, Lavalle contended, but a protracted work stoppage would be much more difficult. Such an action would require a great deal of political will from the province's working class, more, Lavalle suggests, than existed in 1987. A large minority of unionists strongly supported a protracted general strike, but others were not convinced of the strike's validity. Many of the largest unions in the province, such as the IWA and the BCGEU, had in 1987 just signed two year contracts, and thus the immediate threats of Bill 19, at least with regard to collective bargaining, seemed distant. Labour has been committed to solidarity against Bill 19 but, as Lavalle contends, the price it is willing to pay for solidarity is limited. As well, the necessary level of solidarity for a general
strike is hard to achieve when the threat seems to be so much greater for some than others. (104)

Frank Kennedy, head of the Vancouver and District Labour Council, one of the labour bodies which pushed for a more militant response from the BCFL, argued that, in retrospect, the Federation, at least in June of 1987, seemed to have had a better reading of the situation and the mood of the membership than the more militant elements of the labour movement. He also contended that, in many respects, the more protracted guerrilla tactics of the boycott would require more energy and commitment from labour, and in some respects be "a harder row to hoe" than a general strike. With a general strike, a relatively quick resolution to the question, such as an election, is forced. (105) But if the election is lost, again, the labour movement would be weaponless and forced to spend considerable time licking its wounds and regrouping.

Certainly, the most pointed critique of the CCU's strategy was offered by Cliff Andstein. Andstein noted that the general strike or general election strategy was based upon a series of invalid assumptions.

First: The government would either back off and withdraw its legislation, or call an election in a relatively short period of time. (I have yet to meet anybody who seriously believed that the government would withdraw the legislation when faced with an unlimited general strike.)

Second: the New Democratic Party would endorse the strategy, run a strong election campaign defending a general strike and would win the election and form government.
Third: broad public support could be maintained and expanded upon while hospitals, schools, ferries, buses, provincial and municipal government offices, supermarkets, liquor stores, newspapers, construction, forestry, maintenance services, mining, etc., were shut down to force the government to withdraw a piece of labour legislation that had yet to be implemented.

Fourth: All unions would be equally militant, at least for a significant period, and no unions or their members would return to work when faced with injunctions, contempt proceedings (civil or criminal) or mounting public hostility. (106)

Andstein rightly argues that such conditions did not exist in British Columbia in 1987. Thus, a different set of tactics which would secure labour's objective, the defeat of Bill 19, was necessary.

Lavalle offers a useful perspective from which to evaluate the debate between those who were pushing for an unlimited general strike and those endorsing the boycott strategy. Since Canada is not a country in which the working class enjoys a revolutionary perspective, it is not appropriate that prescriptions be offered which presume a priori that a mass revolutionary consciousness has developed, or will be rapidly forged in the heat of industrial and political combat. (107)

One event which illustrated the gulf in perspectives between the Federation and the CCU concerned their respective reactions to and assessment of the amendments to an earlier version of Bill 19 in May of 1987. The CCU characterized the revisions as making "a bad law even worse". (108) Succamore argued that: "The amendments are worse than the original because they contain Machiavellian twists that can only harm workers and benefit employers because of
the legalese in which they are written." The CCU correctly pointed to the fact that the underlying philosophy of Bill 19 had not been altered. It was also true that, in part, the amendments reflected the business community's desire to reduce and transfer to Cabinet some of the unilateral powers of the IRC to interfere in labour disputes. (110)

However, the CCU refused to acknowledge that any substantive improvements, from labour's perspective, had been made to the legislation. In fact, a number of the most objectionable features of the original Bill 19 were removed. For instance, clauses which allowed employers to hire non-union apprentices and strikebreakers to vote on contract offers were struck from the statute. The BCFL leadership maintained that Bill 19 was still unacceptable, but that the amendments did represent some improvements and were, in part, a reflection of the influence of labour's campaign against Bill 19. (111) The fundamental difficulty for the BCFL concerning amendments to Bill 19 was that the legislation did not form the basis for a discussion because, at its core, the statute was directed against union security. As in international negotiations, no two countries can sign a treaty if one is convinced that the other has no right to exist. (112)

The amendment episode revealed the differing approaches of the CCU and the BCFL. The CCU adopted an inflexible, radical and doctrinaire assessment of the changes, perceiving them to be the state's attempt to make Bill 19 even more unacceptable to labour. In contrast, the Federation took a more reasoned and analytical
approach, assessing the positives and the negatives and articulating why Bill 19 continued to be unacceptable to trade unions. Their differing reactions to the amendments of Bill 19 reveal the contrasting manner in which these two centrals perceive, approach, and seek to resolve problems.

As indicated in Chapter 6, a large part of the conflict between the CCU and the BCFL must be seen as a consequence not only of their differing philosophical approaches to trade unionism, but also as a result of their competition for members. The animosities derived from this may have been heightened by the election of the new president of the BCFL, Ken Georgetti, previously a top union executive for the United Steel Workers of America in Trail B.C. He played an instrumental role in defeating a union raiding bid by the Canadian Association of Smelter and Allied Workers, a CCU-affiliate. The battle was quite heated and undoubtedly embittered the CCU. Moreover, it can be argued that the CCU, in its general election or general strike demand, was merely posturing, aware that it was in no position to act upon its proposal, but using it to score points against the BCFL with labour militants and other discontented union elements. Any evaluation of the respective strategies to oppose Bill 19 by the CCU and BCFL must include an awareness of these tensions.
The Bill 19 Boycott and the Solidarity Experience

The extra-parliamentary opposition which developed to Bill 19 bears both similarities with, and differences from, the Solidarity struggle of 1983. Obviously, both mass-based struggles developed out of a resistance to the newly emerged neo-conservative policy agenda of B.C.'s Social Credit government. These struggles were distinctly defensive attempts to protect the welfare state and the terms of the social contract formed after World War II. Both Solidarity and organized labour's 1987 Program of Action were linked by the close time frames in which they took place and the overlap in the cast of characters participating in these two struggles. Moreover, both of these movements were vivid demonstrations that a substantive component of the opposition to neo-conservative policies in B.C. had been transferred from the legislature into the streets and workplaces. In both 1983 and 1987, the most effective and formative resistance to the government's agenda was offered not by the NDP, the institutional Official Opposition, but by non-parliamentary mass mobilizations. The battle of the legislature, in both these instances, became very much a sideshow to the larger struggle waged between the state and mass-based forces. The conflictual character of neo-conservatism and its willingness to breach the broad Keynesian consensual framework allowed political conflict to move beyond the confines of the parliamentary arena.
While all these features illustrate the parallels between Solidarity and the 1987 struggle, there exist other factors which set the movements apart, marking them as distinct struggles. The most visible distinction between 1983 and 1987 lay in the composition of the chief participants involved in the extra-parliamentary opposition. Solidarity was a broad coalition of forces drawn, not only from the ranks of organized labour, but also from the community at large. Bennett's 1983 legislative agenda was broadly aimed, attacking not only rights dear to trade unions but also general components of the social welfare state. The very nature of the government's attack served to define the core membership base of the non-parliamentary opposition. The state had so fundamentally threatened the foundations of so many disparate issue organizations that they were able to coalesce into a social movement. The Solidarity Coalition, as a mass popular force, represented a moment in history. Popular movements, as large, defiant organizations, rarely endure for long. With the 'settlement' of the 1983 political crisis, the community group element of Solidarity was effectively demobilized, not to be easily reactivated.

In 1987, the immediate neo-conservative policy agenda was rather different than in 1983. This time the single target was organized labour. The core elements of the extra-parliamentary opposition to Bill 19 were thus once again primarily defined by the nature of the attack. As defensive mobilizations, both the Solidarity and the Bill 19 extra-parliamentary struggles were
reactive in their character and thus the government's agenda largely shaped their composition and strategies.

In 1983, labour and the community groups were surprised by the Budget and the extent of its attack upon previously accepted public policy prescriptions. The struggle was very much an operation carried out under the pressures of crisis. As such, the Solidarity movement was engaged in a process of forging common links between diverse elements and devising a coherent program in the atmosphere of heated battle and under limiting time constraints. This scramble to develop a universal program of principles and action was understandably an uneven process, producing both unifying tendencies within the forces of extra-parliamentary opposition, along with the highlighting of contradictions, tensions and misunderstandings within the broad coalition. The disunifying tendencies were a product both of the necessity for Solidarity to function under the pressures of crisis management, and of real variations in the priorities and perspectives of its varied components.

The situation in 1987 was quite different. The labour movement was more prepared for the introduction of a sweeping neo-conservative labour law than people were for the 1983 Budget. Consequently, the extra-parliamentary opposition was able to take a more measured response. Moreover, since the core of the opposition was limited to trade unions, it was easier to unify them behind a common program of action. Despite the CCU's vocal opposition to the BCFL-led fightback campaign, the labour movement
in 1987 was more organized and united behind a coherent and well articulated strategy than were the participants of the Solidarity struggle. (115)

The Vander Zalm administration no doubt learned that the implementation of a broadly based neo-conservative agenda, as in 1983, left the government vulnerable to the disaffection of so large a spectrum of groups that the survival of the government and, thus, the program itself were jeopardized. After all, Bill Bennett's popularity and electoral appeal never recovered from the Solidarity showdown. Thus, the labour-centred focus of Bill 19 was designed to isolate the trade unions, making the legislation's implementation much easier and more acceptable. The government's strategy, however, had contradictory effects. On one hand, it did ensure that the extra-parliamentary opposition was limited to the trade unions. But this proved to be as much a source of strength as weakness to organized labour. By centering the struggle around a single issue, Bill 19, the battle became more focused for the labour movement as a whole, generating a sense of unity not only in opposition to the Bill but moreover in the adoption of a plan of action to defeat it. (116)

The BCFL leadership was also well aware of the government's strategy and adapted its counter-strategy to negate, as much as possible, the perceived advantages of a single-issue battle to the administration. This meant devising a defense which played on labour's strengths, drawing a number of lessons from the Solidarity struggle which the Federation leadership now moved to
act upon. First, they believed that the nature of the Solidarity struggle had brought into question the authority of the elected representatives. (117) Although the BCFL leadership believed the 1987 policy direction lacked legitimacy, they were convinced that a direct confrontation and the resulting social polarization would cause them to lose the battle of public opinion. The strategy of passive resistance would avoid any suggestion that liberal democratic institutions were being challenged. Because the struggle is focussed upon a single piece of legislation, any government accusations that it is revolutionary or anti-democratic have no validity. Over time, it is hoped, the rationale for the legislation will be undermined, leading to a withdrawal of public support for both the legislation and the Social Credit government.

Secondly, the Federation leadership learned from the Solidarity struggle that the agendas of labour and the community groups were not always the same and that attempts to hammer out a common platform and prioritizing demands could lead to serious rifts. The BCFL-led boycott campaign purposely avoided the attempt to build a popular mobilization such as that represented by the Solidarity Coalition. It was realized that the objective conditions for the emergence of such a movement were absent. As noted previously, the labour-centred character of Bill 19 meant it was not a catalyst capable of mobilizing the community groups. Furthermore, the boycott strategy did not necessitate the activation of mass protests, but only the active support of rank-and-file unionists. And lastly, with respect to the Bill 19
fight, it was better to avoid Solidarity's dual, coalition-building approach, and work instead from the trade union base. (118)

Conclusion

In assessing the Bill 19 fightback policies of the CCU and the BCFL, the conclusion must be that the Federation offered a more realistic assessment of the situation, adopting a program of action which combined flexibility with militancy. There were few visible indicators in 1987 that a protracted general strike would have led to the defeat of either Bill 19 or the government. The available opinion poll data indicates, first, that a sizable minority were willing to endorse, at least initially, a general strike to defeat Bill 19. But a clear majority opposed the use of the political strike for this purpose. It is likely that such an action, as occurred in the more limited Solidarity strike, would have quickly polarized public opinion to the detriment of labour. While the calling of an extended general strike would clearly have been strongly supported by sections of the labour movement, there was no convincing evidence that all sections of labour possessed the determination to sustain a lengthy strike. In light of Andstein's observations, it remains unlikely that these pre-conditions existed. Also, the general strike strategy was an 'all or nothing' proposition. Given the poor track record in the
English-speaking democracies of general strikes in achieving their stated aims, the gamble seemed too risky.

In contrast, the BCFL's boycott strategy did not require a 'revolutionary perspective' of its membership, proposing instead a commitment to a militant and longer term tactic of defensive defiance. It withdrew labour's consent from the state-administered industrial relations apparatus, placing persistent, continuing pressure upon both the provincial government and the employers, while avoiding the type of polarizing showdown which could easily lead to the undermining of public support.

The prospects for the success of this strategy remain unclear. While the 1968 labour boycott of the Mediation Commission was an undisputed victory for labour over the W.A.C. Bennett administration, strict parallels with the current situation are not applicable. It must be remembered that labour in the 1960s was operating from a position of relative strength. Unemployment was low, labour militancy on the rise, and the welfare state still expanding. The socioeconomic climate confronting B.C. labour in the 1980s is quite different. Organized labour is a declining percentage of the workforce,(119) unemployment is high, the state-sponsored social safety apparatus is under attack. Extended battles initiated by labour in such circumstances are considerably more difficult to sustain. Nonetheless, the BCFL's boycott seems to offer a coherent and pragmatic strategy to pressure the state and employers into preserving a recognition of the legitimacy of
unions and their demands. As Leo Panitch has argued with regard to this type of struggle:

This defensiveness can be justified. It is important to struggle to retain whatever collective rights we can in the face of the capitalist offensive, and to mobilize all possible resources and support to do so. In the case of the assault on trade union freedoms, which is particularly visible in this country, it may be increasingly necessary to break the law in order to defend long-established legal rights that are now severely threatened. And it should not be thought that defeat is inevitable when this occurs. In this country, neo-conservatism is nothing like a hegemonic ideology. (120)

It must be noted, however, that Panitch and Donald Swartz are doubtful about both the Solidarity and IRC boycott struggles, adopting the position that the mainstream of the B.C. labour movement has been anticipating for too long an NDP victory and retreating from militant struggles, including the expanded use of the political strike. But, as they themselves indicate, the general strike by itself was unlikely to bring victory to labour. (121) Their position, I maintain, fails to fully appreciate the level of defiance which the B.C. trade union movement has been engaged in. The Bill 19 boycott, for instance, does represent a sustained, coherent and coordinated defensive strategy. Elaine Bernard suggests that labour has come to realize that it can not win its battles simply by resorting to its traditional tactic of striking, especially when the issue is not strictly economic but is political and ideological. Certainly, the strike remains an important weapon in labour's arsenal, but labour has had to explore other forms of resistance to oppose neo-conservatism; (122)
one of these innovations has been the use of the boycott, whose usefulness or limitations will only be fully revealed in time.

Clearly, labour and other popular forces have been driven by the neo-conservative policy agenda in B.C. to defend their vital interests through extra-parliamentary resistance. The political strikes, the mass mobilizations of Solidarity, and the protracted guerrilla war of the Bill 19 boycott are evidence of the intervention of popular forces against the state. This defensive defiance from the non-parliamentary arena has been marked by shifting strategies and tactics, but the rise of both Solidarity and the Bill 19 boycott campaign are concrete demonstrations of the end to consensus, in the wake of efforts to roll back the welfare state within the B.C. political scene.
Notes


3. Ibid., p. 40


6. As quoted in Bruce Constantineau, "New laws bring balance, business spokesmen say", The Vancouver Sun, April 3, 1987, p. B3

7. Rod Mickleburg, "B.C. labor 'time bomb' ticking", The Financial Post, September 14, 1987, p. 6


12. Ibid., p. A2


14. Tom Barrett, "CCU chief wants war on Bill 19", The Vancouver Sun
15. Leo McGrady, "Beating Bad Laws", New Directions, Vol. 3, No. 1, August/September 1987, p. 9


23. Ibid., p. 14


26. Ibid., p. 28

27. Yandle, op. cit., p. 7

28. Andstein, "Beyond Slogans", p. 34


30. John Weir Interview, Head of the Economic and Community Relations Department of the B.C. Federation of Labour, Vancouver, June 12, 1987


32. Vaughn Palmer, "Fed explains its views on Bill 19", The
33. Neal Hall, "Government, unions fighting battle of advertising over bills", The Vancouver Sun, May 27, 1987, p. A8

34. The success of the trade union educational campaign was emphasized in a number of the interviews with trade union leaders and activists. See John Weir Interview, op. cit.; Frank Kennedy Interview, Secretary-Treasurer, Vancouver and District Labour Council, Vancouver, June 18, 1987; and Ed Lavalle Interview, Coordinator Labour Studies Program, Capilano College, Vancouver, June 16, 1987

35. See for instance Mark Hume, Jes Odam and Gary Mason, "Conspiracy Claimed", The Vancouver Sun, June 2, 1987, p. A1

36. Ben Parfitt and Muriel Draaisma, "Poll says most don't want Bill 19 passed as is", The Vancouver Sun, June 9, 1987, p. A10.

A Vancouver Sun poll indicated that 50 per cent felt that Bill 19 was unfair to labour while only 29 per cent felt it was not. Furthermore, the government's performance was rated as satisfactory by only 42 per cent with 55 per cent indicating their dissatisfaction.*


42. Glavin, "Work-to rule", p. A16


44. The B.C. Federation of Labour's John Weir, for instance, made
the distinction between a general strike and a general protest. Weir argued that the only purpose of the general strike was to topple the government which was not the intention of the June 1 action. Rather June 1 was a one day general protest by labour where it would withdraw its labour services. It was an act of political protest not an act of revolution.*

*. Weir Interview


47. As quoted in Keith Baldrey, "Court services to operate", The Vancouver Sun, May 29, 1987, p. B6


53. Frances Bula and Peter Trask, "BCTF places teacher action at 70 per cent", The Vancouver Sun, June 2, 1987, p. B1

54. John Twigg, "British Columbia pushes labor bill despite strike, business concerns", The Financial Post, June 8, 1987, p. 34

55. As quoted in "Poor image of B.C. economy regarded as the real damage", The Vancouver Sun, May 29, 1987, p. A15


57. Hume, Odam and Mason, "Conspiracy Claimed", p. A1

58. As quoted in Ibid., p. A8
59. As quoted in "A-G files writ against B.C.'s main labor chiefs", The Vancouver Sun, June 2, 1987, p. B3

60. As quoted in Ibid., p. B3

61. Cruckshank, "The Battle For B.C.", p. D1

62. Jamie Cassels and Andrew Petter, "A-G's sledgehammer 'is a thing abhorrent' to the law of the land", The Vancouver Sun, June 4, 1987, p. B5

63. John Schreiner, "B.C. action worst way to handle opposition", The Financial Post, June 8, 1987, p. 6

64. As quoted in Chris Rose, "Ex-judge Berger enlisted by HEU in Bill 19 battle", The Vancouver Sun, June 3, 1987, p. B7

65. Ibid., p. B7

66. "The full text of Justice Meredith's judgement against the government", The Vancouver Sun, June 11, 1987, p. E10

67. Lavalle Interview

68. Odam and Mason, "Sun poll shows B.C. split on 1-day walkout", p. A1, A10

69. McGrady, "Beating Bad Laws", p. 9

70. Andstein, "Beyond Slogans", p. 33


72. Weir Interview

73. Kennedy Interview


75. Confederation of Canadian Unions, op. cit., pp. 1-2

76. Ibid., pp. 2-3

77. The IRC on August 28, 1987 issued an order which declared that the members of the Tunnel and Rock Workers Union local 168
were engaged in an illegal strike because they had failed to file strike notice with the Council. The Council issued a back to work order and upon the request of the employer filed in the B.C. Supreme Court. The employer indicated that it would consider suing for damages. The union upon the entrance of the courts obeyed the order and went back to work.*

* Ibid., pp. 3-4

78. Ibid., pp. 7-10

79. Letter from Jess Succamore, President, Confederation of Canadian Unions to Ken Georgetti, President, and Cliff Andstein, Secretary-Treasurer, B.C. Federation of Labour, June 9, 1987, p. 4 in Confederation of Canadian Unions, op. cit., Appendix


81. As quoted in Steve Weatherbe, "The unions take on the premier", Alberta Report, June 1, 1987, p. 5

82. Casselton, "Unions escalate Bill 19 fight", pp. Al-2; and John Schreiner, "Compromise or war in B.C.", The Financial Post, May 25, 1987, p. 11

83. Letter from Jess Succamore, President, Confederation of Canadian Unions to Ken Georgetti, President, B.C. Federation of Labour, April 29, 1987, p. 1 in Confederation of Canadian Unions, op. cit., Appendix

84. Letter from Jess Succamore, President, Confederation of Canadian Unions to Ken Georgetti, President, and Cliff Andstein, Secretary-Treasurer, B.C. Federation of Labour, June 19, 1987, p. 1 in Confederation of Canadian Unions, op. cit., Appendix

85. Ibid., p. 2


87. Andstein, "Beyond Slogans", p. 34


89. For the B.C. Federation of Labour's Tom Fawkes and the the
B.C. Business Council's Jim Matkin's comments on this possibility see: Steve Weatherbe, "Continuing the furore over labour", Western Report, August 1987, p. 5

90. Ibid., p. 5

91. Steve Weatherbe, "The mice that roared", Western Report, September 28, 1987, p. 6


93. Weatherbe, "Continuing the furore over labour", p. 5

94. Letter from Kenneth V. Georgetti, President and Cliff Andstein, Secretary-Treasurer, B.C. Federation of Labour to Jess Succammore, President, Confederation of Canadian Unions, September 28, 1987, pp. 1-2 in Confederation of Canadian Unions, op. cit., Appendix

95. "Use of economic weapon vowed in labor bill fight", The Vancouver Sun, April 21, 1987, p. A1

96. Lavalle Interview


98. Lavalle Interview

99. See for example Schreiner, "B.C. labor bills stir union revolt", p. 8

100. As quoted in Casselton, "Noted mediators condemn Bill 19", p. B6

101. Weatherbe, "The unions take on the premier", p. 11

102. Weir Interview

103. Lavalle Interview

104. Lavalle Interview

105. Kennedy Interview

106. Andstein, "Beyond Slogans", p. 32

107. Lavalle Interview

108. Confederation of Canadian Unions, Bill 19: It's Worse than

110. Ibid., p. A1

111. Ibid., p. A2; see also Vaughn Palmer, "Bill 19 altered, but still tough on unions", The Vancouver Sun, May 26, 1987, p. B4; and Lavalle Interview

112. Weir Interview


114. Lavalle Interview

115. Kennedy Interview

116. Ibid.

117. Weir Interview

118. Weir Interview and Lavalle Interview

119. For instance, in 1987 for the first time since 1947 the unionized share of the total workforce dropped below the 40 per cent plateau, falling to 39.8 per cent.*

* Weatherbe, "The mice that roared". p. 6


Chapter 9

Conclusion: Neo-conservative Restraint and Defensive Defiance Considered

British Columbia is engaged in Canada's first extensive neo-conservative political transformation. The outcome of this experiment is of vital importance because the lessons drawn here will help to shape the policy agendas for other Canadian governments. Consequently, scholarly analysis of B.C.'s political scene in the 1980s should be of interest and relevance to a larger audience than those primarily concerned with west coast politics.

It has been argued herein that beginning in 1983 the B.C. Social Credit government embarked upon a public policy path which sought to recast the role of the state and significantly transform economic and social relations in the province. Beginning with this date, the B.C. government launched a concerted attack upon the founding premise of the Keynesian welfare state, that is, a positive sum conception of public policy. The Social Credit government's actions most clearly fit, and their stated rationale overtly subscribes to, a neo-conservative orientation. The 1983 B.C. Budget was pathbreaking because it was aimed at qualitatively and fundamentally reversing the direction of state activities. As I have argued in chapter 5, the 'restraint' measures adopted by the Socreds' in 1983 emphasized the neo-conservative theme of the
retrenchment of the state sector instead of incrementalism, and a radical approach in implementing its policies versus the smoothing strategies adopted by other governments following milder restraint agendas.

The welfare state, the extensive public regulation of the economy and of the power of trade unions to 'distort' labour markets and exert their collective might against employers, have all been targeted as obstacles to economic recovery. The Social Credit government's new economic strategy is centered upon the neo-conservative doctrine that market forces must be freed to function without the hindrance of these 'artificial' barriers. The work ethic must also be strengthened by reducing dependence upon the state, and fostering a greater sense of self-reliance and individualism to increase B.C.'s competitiveness and investment appeal in the changing world economy. Moreover, the existence of 'free markets' is directly equated with democracy, and the principles of competition and individualism are identified as the prime components of freedom. Economic necessity and democratic values are the two fronts on which B.C.'s neo-conservative transformation is defended.

As was argued in chapter 2, the crisis of the 1930s was resolved through the application of Keynesian policy prescriptions. This seemed to offer a solution to the crisis of capitalism, one inducing both economic and political stability. Keynesianism did not breach the essence of the capitalist system, that is, the retention of private control over the bulk of savings
and investments. But it did seek to humanize the face of capitalism. Consequently, Keynesianism offered a pan-class resolution to the crisis. Business, labour and the state were able to reach a class compromise. The social contract, in part, stipulated that trade unions would be recognized and free collective bargaining endorsed, and that an extensive welfare state would be erected, providing a comprehensive network of social services (the social wage) and state regulation of the private sector. The essential element behind this Keynesian policy framework was the notion that politics and socio-economic relations were a positive sum game. Reaching a consensus in which all major interests were taken into account was key to preserving the stability on which the continued functioning of the system depended.

This Keynesian path, during the years of the long post-war boom, came to be viewed as the new common sense. Consensus politics founded upon the premise of social class compromise and the containment of political conflict within the boundaries of party politics was accepted and practised by all liberal democratic governments. Active state intervention into the economy and society was legitimated. In British Columbia too, despite its highly polarized political culture, the Keynesian formula was adopted. The implementation of such measures, as discussed in chapter 4, was a rather uneven process. The province began as a Canadian leader in social policy construction under the direction of Pattullo, while under W.A.C. Bennett's direction the advance
along this path continued more hesitantly. The NDP administration of the early 1970s brought B.C. up to date on social policy developments, rationalizing the welfare state system. The Social Credit government of William Bennett adhered to the general logic of this policy direction up until the 1983 Budget.

It was the economic crisis of the late 1970s and 80s that served to undermine the Keynesian consensus. The crisis brought to the fore the clash between economic and social policies. The Keynesian formula was grounded upon economic prosperity but, with the advent of deep recession, the positive sum environment of the 50s, 60s and 70s vanished, replaced by a zero sum scenario. In the climate of scarcity, societal compromise became more difficult. The sharing of a shrinking economic pie meant that some had to do with less so others could continue to get more. The Keynesian welfare state which so recently had been accepted as a matter of common sense was now challenged by a new logic, that of neo-conservatism. Neo-conservatism broke the rules of the game which guided Keynesianism, it rejected integrative strategies and opted for policy approaches which aimed at attacking, disorganizing and demoralizing the opposition. It held that the expansion of the state sector and the high living standards of the past were founded upon unearned and borrowed prosperity.

Neo-conservatism seeks to instill a measure of discipline back into society, resurrect the work ethic, individual initiative, and competition; values necessary for survival in the new economic reality. At the level of state policy, drastic
surgery was called for: the stifling regulatory net which had been placed upon the private sector had to be removed, state spending beset by fiscal crisis needed to be guided by the example of the traditional family budget, the frills of social spending had to be curbed. For the neo-conservative, the state had to stop subsidizing the parasitical elements of society, i.e. state client groups and the bloated public sector, and direct its energies toward supporting the productive elements, i.e. private enterprise. In short, market values and forces needed to be freed to operate in the best interests of society.

In redefining the boundaries between the state and society, neo-conservatism did not propose that the state's role be reduced to insignificance. Rather, a strong state was to play a leading part in the reconstruction of state, society, and economy. The state had to ensure social stability and respect for constituted authority. 'Liberal' society had fostered, as The Crisis of Democracy argued, a culture of moral laxness, and expanding expectations which threatened to overload the political system. The public sphere had degenerated into a state of "democratic distemper". Strong government leadership could play a key role in teaching the general public the necessity of moderating its demands upon the state and the value of social traditionalism; a far greater measure of societal discipline and sacrifice had to be instilled. Given the radical edge to neo-conservatism and the wide array of interests which it attacked, a strong state was absolutely vital to the success of its political project.
Defending the authority of the state and employers to impose the new reality on society required that the state enforce 'law and order' through an increased use of coercive measures.

The neo-conservative attack upon the welfare state was intended to dismantle obstacles in the way of market forces, but this action also served to undo the shock absorber effect of the welfare state, which served to prevent massive outbreaks of class and social struggles. The contradictory character of the capitalist state came to be fully revealed in this period of crisis. On the one hand, the neo-conservatives were correct to point to aspects of the state which did present roadblocks to capital accumulation, but on the other hand, social policies served to contain class struggles which could destabilize the investment climate. It was the contention of neo-conservatives, however, that short-term turmoil was necessary to implement a new radical policy agenda that, once in place and accepted, would pave the way to a period of unfettered economic expansion.

This 'class war conservatism' undermined the Keynesian consensus and opened the door to greatly intensified societal conflict; social and class struggle could no longer be expressed within the boundaries of party politics. With the rise of the welfare state, the state itself became the rallying point for an expanded notion of democratic rights. The neo-conservative attack upon the 'positive state' began to erode the legitimacy of the system for many. The conditions were created for the mobilization of a mass-based social movement to resist the rightward political
thrust. A common enemy in a neo-conservative government could be readily identified, providing a focus for the oppositional coalition's resistance.

These transformations at the level of state policy must be viewed with an eye to state theory. As set forth in Chapter 3, the advanced capitalist state must be viewed as operating from a structure/action framework. The independence of state actors to redirect public policy is greatly circumscribed by larger economic forces, operating at both the domestic and international level, which are beyond the direct control of government. However, policy-makers do enjoy a 'relative autonomy' which is primarily defined through class struggle. How then does one explain the adoption of Keynesian-style policy formulas as solutions to capitalism's ills in one period and their rejection in favour of counter, neo-conservative alternatives in another? The answer lies in recognizing the importance which crises within capitalism assume in undermining the foundations for previous consensus, opening the way for the construction of a new political formation.

Such crises are indicators of two factors. First, that the economic order has altered to a degree where the former political consensus may no longer permit the effective operation of a capitalist economy. And second, crises are also reflective of an alteration in the balance of class forces in society. The economic crisis of the 1980s, for instance, because of mass unemployment and declining living standards, placed the working classes, trade unions, and other subordinate class forces into a greatly weakened
position. Capital's hand was strengthened in relation to these class elements, allowing the previous consensus to be more easily attacked. In this new political formation, the former balance between what O'Connor identified as the legitimation and accumulation functions of the state was altered. Neo-conservatism de-emphasizes state social spending as legitimation, and in its stead plays upon more traditional and populist appeals. The quest for capital accumulation becomes this regime's driving force. Coercive measures to contain and repress the active opposition of subordinate groups is more readily resorted to. Unlike Keynesianism, neo-conservatism engages in a more class conflictual approach to resolving the crisis.

The economic crisis which struck B.C. with full force in the 1980s was profound in its nature. It served to unglue the Keynesian welfare state consensus which held in the province up until 1983. But while this dissertation acknowledges the real material basis of the 'new economic reality', I have also set out to demonstrate that it has been used 'politically' by the B.C. Social Credit governments to justify change in a neo-conservative policy direction. In other words, this shift in policy orientation, while reflective of an altered political economy, is also ideologically motivated. I have suggested herein that the 'new economic reality' could have been accommodated within a policy direction more consistent with the existing welfare state framework and philosophy.
B.C. politics after July 1983 entered a new era, the politics of 'restraint'. Social Credit 'restraint' is in fact a local variant of a form of political practice which has already taken firm root in Great Britain under Margaret Thatcher and in the United States under Ronald Reagan. The neo-conservative agenda, as indicated above, was guided by the logic of a new accumulation strategy which necessitated that the collective content of the state be eliminated, market forces freed, and the chief political enemies of this project, that is trade unions, state client groupings, and the like, be neutralized. The 1983 Social Credit Budget constituted a formative public policy measure because its directives were aimed so widely. Human, tenant, and women's rights were attacked, free collective bargaining in the public sector was challenged, an array of state serves were cut, and political power was centralized into cabinet's hands. This paralleled developments in core countries like the U.S. and Britain which had created and intitiated neo-conservative solutions to economic crisis.

The Vander Zalm administration is continuing the neo-conservative agenda of Bill Bennett. As outlined in chapter 7, the 1987 Industrial Relations Reform Act (Bill 19), was a more narrowly directed piece of legislation than was the 1983 Budget. While Bill 19 focused upon the rules governing industrial relations in the province, it was just as transformative as the legislation enacted in 1983. Bill 19 sought nothing less than the breaking of the logic guiding liberal industrial relations theory and practice underlying the old B.C. Labour Code. The balance
between the rights and interests of employers and workers found in
the Labour Code was recast to the decided advantage of capital.
Bill 19 was guided by the principles of anti-unionism, the
so-called 'right-to-work', and individual over collective rights.
In a drive to deregulate the labour market, union powers were
subjected to controls which in effect sought to nullify their
impact upon employers. The principle that labour ought to posses,
through the trade union, strong countervailing power to match that
of capital was rejected by neo-conservatism. Free collective
bargaining was also undermined because it depended upon strong
unions, which Bill 19 aimed to destroy. The imposition of this new
industrial relations regime would effectively disenfranchise
workers of their industrial citizenship and impose a new employer
despotism in the workplace. Bill 19 was clearly intended to
terminate the consensus which had come to operate in industrial
relations, establishing the foundation for a period of intensified
conflict.

Bill 19 also revealed the influence of B.C.'s staples heritage
in the shaping of neo-conservatism in this province. Under the
provision of this statute, the state was given a very
interventionist role to play as the guarantor of the 'public
interest'. The public's interest, in the government's view,
closely paralleled the interest of the employer. Bill 19, like
much of previous Canadian labour legislation, provided the state
with a wide interventionary mandate designed to halt strike
activity. This was justified by the fragile nature of the
staples-based economy and the need to protect the province's competitive position. The legacy of the staples tradition upon state policy also continues to be evident in other Social Credit policies such as massive infrastructure construction and state-sponsored mega-project developments.

The appearance of this neo-conservative agenda in British Columbia was not a one-dimensional phenomenon. It had a dialectical impact, generating a strong defensive reaction from classes and other social groups most negatively affected by this policy shift. Significantly, a major component of this reaction took the form of an extra-parliamentary opposition. The inability of traditional, parliamentary-focused politics to effectively block or temper the neo-conservative project pushed the societal forces most affected by the formative B.C. neo-conservative legislation into non-legislative avenues of action.

The 1983 Budget, as discussed in chapter 6, mobilized a wide-ranging constituency composed of organized labour led by the public sector workers, and a host of community groups and state client elements into a social movement unified by a shared opposition to the shape which B.C. 'restraint' had taken. This political protest movement, B.C. Solidarity, presented a powerful challenge to the provincial government. However, in the end, their oppositional tactics, including massive protest rallies and a political strike, while extracting some concessions from the government, proved unsuccessful in moving the Socreds away from their neo-conservative course of action. Internal divisions
weakened the coalition, and the utilization and effectiveness of the 'political strike' remained highly problematical issues. Nonetheless, Solidarity was, I argue, a partial success because it verified that mass popular resistance to neo-conservatism was possible and could be effective in at least slowing the pace of the rightward political drift, by reminding capital and government of the potential costs, in terms of investment destabilization, a new-conservative agenda could incur.

Bill 19 similarly engendered extra-parliamentary forms of resistance. The narrow focus of this neo-conservative attack meant, however, that organized labour would be its primary opposition. Chapter 8 outlines the debate surrounding, and the final form of, this resistance strategy. In assessing the new circumstances and attempting to learn from the Solidarity experience, labour adopted a different approach, a boycott of the new Industrial Relations Council. The boycott was premised upon an overt rejection of the new labour law, and the labour movement's insistence that it would not be governed by, nor obey 'bad laws'. The struggle is labour's attempt to resist the neo-conservative transformation of political decisions into purely economic or legal issues, 'properly' resolvable in the marketplace or courts.

The long-term success of the Bill 19 boycott is still to be determined, but it provides ample evidence that the former consensual basis of state-sponsored industrial relations institutions is at an end in B.C. Organized labour is determined to defeat Bill 19 through a campaign of non-compliance with its
provisions, and the refusal of unions to participate in or recognize the Council. This strategy represents an explicit move away from a potentially unpopular direct confrontation with the state in favour of an attempt to achieve public support for labour's struggle to retain its formerly recognized rights.

This dissertation advances the argument that the extra-parliamentary opposition to 'restraint' in B.C. can be viewed as a defensive war of manoeuvre against the government, a war marked by shifting strategies and tactics. Solidarity was a broad-based movement of defensive defiance to neo-conservative initiatives in the province. Between 1983 and 1987, extra-parliamentary tactics were significantly transformed, shifting from resistance based on a mass-based political movement utilizing tactics of direct confrontation, to the politics of a longer term struggle.

The prescription of neo-conservative solutions to the crisis is not inevitable. In the longer term, the real challenge for the opposition to neo-conservatism is to articulate an alternative vision for society which goes beyond Keynesianism. In political communities like British Columbia, where neo-conservative policies have been imposed, intensified extra-parliamentary struggle from below offered one hopeful avenue to defeating this new political agenda and to opening up a dialogue between the oppositional elements from which an alternative program could emerge.
References Cited

Books and Articles


__________, "Restraint and Recovery?" Talk delivered at the B.C. Under Restraint Conference, Sponsored by the Committee of Concerned Academics, University of British Columbia, February 24, 1984.


Bennett, Bill, Interview with *Maclean's*, "'There is no easy way to lay off people'", *Maclean's*, October 17, 1983.


Bernard, Elaine, "Labour Tactics Today" in *After Bennett: A New*


______, "The Ruling Class Does Not Rule: Notes on the Marxist

Block, Walter and Edgar Olsen (eds.) *Rent Control: Myths and Realities*. Vancouver: Fraser Institute, 1981.


Cameron, Peter, "Is There Life After the (Almost) General Strike?", New Directions, Vol. 1, No. 3, November/December 1985, pp. 8-12.


Chorney, Harold, and Phillip Hansen, "The Falling Rate of


Dobell, Dr. A.R., "Economics and Politics in British Columbia", A Public Lecture Sponsored by The Vancouver Institute, University of British Columbia, October 13, 1984, personal notes.


Esping-Andersen, Gosta, Roger Friedland and Erik Olin Wright, "Modes of Class Struggle and the Capitalist State", Kapitalistate, No. 4-5, Summer 1976, pp 186-220.


Fennell, Tom and Susan Deaton, "The unions' war in the West", Western Report, June 16, 1986.


(ed.), *The Forward March of Labour Halted?*  


__________________________, "Notes delivered to Graduate Sociology Seminar: Sociology 514", University of British Columbia, March 6, 1984.


McPhillips, David C., "Employer Free Speech and the Right of
Trade-Union Organization", 


Mickelburgh, Rod, "A Fair Wage" in The Expo Story, edited by 
Robert Anderson and Eleanor Wachtel. Madeira Park, B.C.: 

Miliband, Ralph, Capitalist Democracy in Britain. Oxford: Oxford 

__________, "Class War Conservatism" in Class Power 

__________, Parliamentary Socialism: A Study in the 
1979.

Miliband, Ralph, John Saville and Marcel Liebman (eds.), 

Millis, Harry A. and Emily Clark Brown, From the Wagner Act to 
Taft-Hartley: A Study of National Labor Policy and Labor 

Mills, C. Wright, White Collar. London: Oxford University 

Mitchell, David J., Succession: The Political Reshaping of 

__________, W.A.C. Bennett and the Rise of British 

Naylor, R.T., Dominion of Debt: Centre, Periphery and the 
International Economic Order. Montreal: Black Rose Books, 
1985.

Nelson, Patricia Ann, Solidarity Coalition: The Struggle For 
Common Cause, M.A. Thesis, University of British Columbia, 
November 1985.

New Left Review, (Special edition on the Falklands War) No. 134, 
July/August 1982.

O'Connor, James, Accumulation Crisis. Oxford: Basil Blackwell, 
1986.

__________, The Fiscal Crisis of the State. New York: St. 

Offe, Claus, "Advanced Capitalism and the Welfare State", 

571


O'Hara, Jane, "British Columbia Boils Over", Maclean's, October 17, 1983.

__________, "British Columbia Divided", Maclean's, November 21, 1983.

__________, "British Columbia on the edge", Maclean's, November 7, 1983.

__________, "An uneasy West Coast truce", Maclean's, December 5, 1983.


Persky, Stan and Lanny Beckman, "Downsizing the Unemployment Problem" in The New Reality: The Politics of Restraint in


May 1984.


Resnick, Philip, "B.C. Capitalism and the Empire of the Pacific", Paper presented to the Western Sociology and Anthropology Association Meetings, Winnipeg, March 4-6, 1981.


Stainsby, Cliff and John Malcomson, "The Fraser Institute, the Government and a Corporate Free Lunch", Canadian Dimension, Vol. 18, No. 1, March 1984, pp. 19-20, 24, 26.


Tafler, Sid, "Bennett plans crackdown", Maclean's, July 4, 1983.


Weatherbe, Steve, "Continuing the furore over labour", Western Report, August 1987.


__________, "The Trudeau Era", Canadian Dimension, Vol. 18, No. 5, October/November 1984, pp. 7-10, 12.


**Government Sources**


Bennett, The Honourable William R., Premier of British Columbia,


British Columbia, The Government of the Province of, British Columbia in the Canadian Confederation, Submission presented to The Royal Commission on Dominion-Provincial Relations. Victoria: King's Printer, 1938.

British Columbia Hansard. Victoria: Queen's Printer, various years.


Department of Labour Annual Report. Victoria: King's/Queen's Printer, various years.


News Release, various years.

Restraint and Recovery: The Next 581


Sirois, R., Chairman, Report of the Royal Commission on Dominion-Provincial Relations, Book I. Ottawa: King's Printer, May 3, 1940.


News Papers and Media Sources

Advocate (B.C. New Democratic Party periodical), various issues.

B.C. Business, various issues.


Democrat (B.C. New Democratic Party paper), various issues.

The Financial Post, various issues.


The Globe and Mail, various issues.


The Montreal Gazette, various issues.

Pacific Tribune, (Communist Party of B.C. paper), various issues.

"Red Eye" Show, Vancouver Co-operative Radio, various programs.

The Saskatoon Star-Phoenix, various issues.

Solidarity Coalition Bulletin, various issues.

Solidarity Times, various issues.

"Union Made" Show, Vancouver Co-operative Radio, various programs.

The Vancouver Courier, various issues.

The Vancouver Province, various issues.

The Vancouver Sun, various issues.

Victoria Times-Colonist, various issues.


**Special Collections, Interviews and Field Notes**

British Columbia Federation of Labour, "Bill 19 (Amended)", Vancouver: mimeo, n.d..


Confederation of Canadian Unions, *Bill 19: It's Worse than Ever*, Vancouver: CCU pamphlet, nd..

Kennedy, Frank, Secretary-Treasurer, Vancouver and District Labour Council, Personal Interview, Vancouver, June 18, 1987.


________, comments made at a meeting of the Lower Mainland Solidarity Coalition, November 14, 1983, from personal notes.

Kuehn, Papers, University of British Columbia Special Collections, Vancouver, B.C..


Operation Solidarity, "Speak Up Now! This is An EMERGENCY!", Leaflet: n.d..

Solidarity Coalition Files, University of British Columbia Special
Collections, Vancouver, B.C..

Walters, John, President of the College-Institute Educators' Association of B.C., Vancouver, B.C., letter to The Honourable William Vander Zalm, May 1, 1987.

Weir, John, Head of the Economic and Community Relations Department, B.C. Federation of Labour, Personal Interview, Vancouver, June 12, 1987.

Wilson, Drusilla, Assistant Director, Bargaining Division, B.C. Teachers Federation, Personal Interview, Vancouver, June 12, 1987.