

## How labour peace broke out in B.C.

A long and bumpy road leads to a rare period of calm. Can it last?  
 Taylor sees hope but others are less sure

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Flash back to British Columbia, 1912: After 250 labour protesters are arrested, a rabble-rousing revolutionary named Robert Gosden tells a cheering throng: "Unless he releases them, our premier should have someone taste his coffee, and be careful during hunting season."

Fast-forward 94 years: The people in this province are looking at a labour scene that is remarkably serene. No rabble, no agitators, no walkouts. Doubtless, Premier Gordon Campbell could have coffee or go hunting with any public sector union leader in safety.

Gosden -- who was jailed three months after he told Prince Rupert strikers, "We should kill the scabs" -- might have been perplexed at the amity or proud of the progress made in getting to this rare period of relative labour peace. (He's a mysterious figure who later turned out to be an RCMP informant, so it's hard to know what he'd make of it all.)

Simon Fraser University professor Mark Leier, who researched the paths taken by Gosden and other early labour leaders, said several sweeping trends led to the remarkably successful round of public-sector bargaining that concluded last month.



CREDIT: Bill Keay, CanWest News Service

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Unions representing 78,000 public servants are still seeking contracts by this summer, including 39,000 public school teachers and 27,000 school support staff.

But to the professed amazement of Finance Minister Carole Taylor, who steered negotiations for the B.C. Liberal government, 51 separate deals covering about 200,000 people were reached with not so much as a slowdown, let alone a work stoppage. A \$1-billion signing bonus helped smooth the way.

How did the unions reach this point? Historically, legitimization of organized labour was key to the improvement of the worker's lot, Leier said. Unions are a fully recognized part of society now, a stark contrast to the fractious days of the early 20th century. But to win that recognition, unions "always had to be creative and push the limits of the law to make real progress," he said.

In 2006, the work force is much better educated, far more women are involved and white-collar work predominates. And it's harder to walk off the job when conditions are relatively tougher. Leier said real wages (taking inflation into account) are down since the 1970s, and unions have lost ground.

About 33 per cent of B.C.'s total employment force is unionized. That puts the province's unionization rate in the middle of the Canadian pack, well below Quebec at 40 per cent, and far above Alberta at 24 per cent.

Historically, B.C. union membership has grown since the post-war period, but the overall work force has grown much faster. In recent times, membership has grown by 32,000 people, to 561,600 members since 1997. But total employment has grown by 170,000 people, so the unionization rate has dropped slightly.

"People are quick to talk about 'Big Labour,'" Leier said. "But one statistic that freaks me out is that Lord Kenneth Thomson [Canada's richest person] is worth more than the entire Canadian labour movement put together."

The route from the days of Gosden to today often took militant turns until recent days.

Former deputy minister Bob Plecas has a new book, *Bill Bennett -- A Mandarin's View*, about the former premier that recounts the white-knuckle negotiations during the Solidarity days of the early 1980s.

One chapter relives the mass uprising against restraint-minded cutbacks that went to the point of challenging the government's right to govern. It was a chaotic circus, and it was run mostly by the big unions and the big leaders of the day.

Later in the 1980s, during one particularly rocky contract dispute, notes were leaked to the late columnist Marjorie Nichols. The Vancouver Sun bannered the story of how then-government union head John Fryer was -- horrors! -- using the f-word at the table.

Each change of government since then has been marked by a flip-flop in labor law. The Vander Zalm Socredits, who held the reins from 1986 to 1991, curbed union power. The Mike Harcourt New Democrats, 1991 to 1996, restored them and then some. They were followed by the Glen Clark New Democrats, who also tinkered with labour law, generally in favour of their union supporters.

The public sector was calmer during the NDP governments of the 1990s, but there

were still stress points. Many rounds of talks turned into crises. Strike votes, walkouts and round-the-clock bargaining were the hallmarks.

"They're probably still using the good old words," Leier said with a laugh.

The Liberals' first four-year term, starting in 2001, was another lurch. They did some more tinkering, generally in favour of employers. But more important, they launched another restraint program that annihilated some unions and froze tens of thousands of other members into zero-increase settlements, or imposed contracts.

When the Hospital Employees' Union rejected an imposed contract in 2004 and members walked off the job, it looked like another epic showdown was in the works. But it was averted at the last minute. The union was later crushed with a contempt of court citation, heavy fines and contracting-out provisions that broke up segments of the membership.

The general tone prompted organized labour last year to mount its most committed and expensive political campaign in recent history to defeat a government and re-elect the NDP.

But it didn't spawn another Solidarity movement, to the surprise of some. Partly it's because private- and public-sector unions had separate issues and didn't come together like they did in the 1980s. When the Liberals imposed public-sector contracts, it prompted outrage. When they did exactly the same thing with a major forest contract, it was accepted as the only alternative.

But the public-service unions' antipathy to the Liberals was strong enough to prompt some wonder when dozens of problematic contracts involving people with assorted grudges against the government were all signed in the space of four weeks.

There are two schools of thought on how it came about. One says all it took was a lot of money: \$6 billion altogether. The other says it was money and more: A tentative step by both sides toward a new trusting relationship that could make the adversarial B.C. model a thing of the past.

"It was fairly amazing to see the settlements," said Fryer, now a professor at the University of Victoria and an authority on labour matters. "It was particularly unusual in that the most militant public-sector unions, who played a role as the official Opposition for a time in the first term, all settled.

"So when you try to unravel the amazement, it comes down to the rank-and-file being very anxious for that bonus. The billion dollars worked. Credit is heavily due to whoever thought that up."

The government said the signing-bonus offer expired March 31, at the end of the fiscal year, for accounting reasons. Unions checked with the auditor general on the validity of that stand, and were apparently persuaded it was legitimate.

So they signed up in droves, resulting in cheques for between \$3,000 and \$4,500 for every member. (They'll be going out in the next few months.)

The actual pay raises are in the two to 2.7 per cent a year range, which takes up \$4.7 billion of the total package. The remaining \$300 million is in the form of a back-end bonus for deals that run through the Olympics. Assuming a surplus then,

members will get another extra cheque then, too.

Fryer put the package in perspective. "There's a \$17-billion payroll in the public sector. Carole Taylor set out to spend \$6 billion, which is 35 per cent of that. There isn't an employer in the world who couldn't get a settlement with that kind of money."

But Fryer said the package could have easily been restructured into four per cent raises over each of four years, which would have been far more valuable to employees over the long haul, with compounding.

"The unions were stampeded by members eager for the cash payout. They waved a big cheque and it proved irresistible," he said.

He's skeptical that this marks a new era of labour peace. He says it is more about a government desperate for labour quiet through the Olympics, and having enough money to buy exactly that.

"This year is an aberration. The traditional pattern still holds, with two general tendencies in B.C.: People who support public-sector workers and live with them, and people who think 'the less government the better.' "

"Premier Campbell and his caucus haven't changed overnight. This is B.C. politics. Do the settlements mean the [Hospital Employees' Union] goes to sleep when it comes to privatized health care? No."

Taylor is more hopeful it's the dawn of a new age, but she's not clear yet on how to ensure that outcome.

"The next step? I'm not sure about specifics, but being an aging baby boomer, I know in every single union sector, we're going to be facing some real issues about having enough people to do the jobs. That would seem to me to be a very good [opportunity] to sit down with union leaderships and employers and see what the numbers look like."

The big advantage now is that people can talk long-term issues without having "the big hammer" of immediate contract talks hanging over them, Taylor said.

"I tried to use 'respect' constantly when talking about this. All of these employees are individuals that are crucial to the success of B.C. So if we start to change the atmosphere and if people feel they are appreciated and are doing good work I think that does change everything.

"I personally met with the B.C. Fed and union leaders at the start. I said right up front I'm really hoping for a better working relationship and a chance for all of us to respect each other and start to be proactive about some of these problems."

Taylor said the signing bonus arose from an unexpected windfall in natural gas revenues.

"It was an important recognition that a lot of our workers taking net zero over a few years were part of the way we turned this economy around. So it seemed absolutely fair and just to reach out and share some of that good fortune with our workers."

But even she is surprised at how well it worked.

"I never, ever was so hopeful that we would actually have all of the negotiations 100 per cent completed with contracts that are very imaginative and very different."

Last fall, Premier Gordon Campbell met Judy Darcy, head of the Canadian Union of Public Employees, and George Heyman, president of the B.C. Government and Service Employees' Union, and told them he was looking for a more constructive relationship.

"I take my hat off to the labour side and the government side," Campbell said.

"This was something my deputy minister, Jessica McDonald, was pushing: A new relationship with the public service. Minister Taylor came up with a very strong mandate and the government was in a financial position where we wanted to be fair and reasonable."

The premier said that McDonald is also launching a major campaign to encourage not just training but an awareness among young people about opportunities in the public service.

Campbell said he was never surprised at labour's animosity toward his government.

"We knew we'd have a tough time through our first term," he said. "We did. We're through that. We always said we wanted to treat our people fairly and reasonably. I think we've managed to do that, and hopefully we can build a constructive long-term relationship."

Although the money differences are settled for the next four years, there is still lots to argue about.

When Heyman called a government-wide strike vote midway through the month, he listed the union's reasons for opposing Liberal policies.

"Our members have had enough, of constant endless restructuring and ideologically-driven privatization and contracting out. We want an end [to it], we want some peace in our workplace.

"After four weeks, with sadness and concern, notwithstanding the clear [election] message they got from British Columbians that we were all sick of them, the government still has not learned how to negotiate, instead of legislate."

They took a strike vote, which was about as tense as the situation got. Another round of talks resulted in a deal.

But Heyman's summation then is as valid now as it was then.

"When the government puts a bit of money on the table and says they want to change the tone of labour relations, those words are empty if they don't back it up by two things: Refraining from imposing their will by cabinet order or legislation, and listening seriously to legitimate concerns of our members."

33% How much of B.C.'s work force is unionized

\$6 billion Cost of public-sector settlements

## \$1 billion Amount of signing bonuses

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