The "Book of Samuel": The Railway Run-Through Commission (1964-66)

[The workers'] contract was made on the basis of one set of circumstances. Now it must be performed on the basis of another set of circumstances, devised by management alone and to which they have given no consent. There is a manifest inequity here which clamours for attention and correction.

[Report of the Industrial Inquiry Commission on Canadian National Railways "Run-Throughs" (Freedman Report), Ottawa, 1965 at 92]

In October 1964 the Canadian National Railways attempted to put into effect a plan for "extended crew runs," or run-throughs, through the terminals of Nakina, Ontario, and Wainwright, Alberta. The CNR was eliminating two servicing stops on its main line to take advantage of changes brought about by the introduction of the diesel engine.

The CNR's plan encountered immediate and large-scale resistance from its running trade employees. Some 2,800 of them—members of three different unions—"booked off sick" on the weekend of October 24–25 in what was in effect a wildcat strike. They did this without the public support of their unions, all of which had contracts with the railway that had not expired. As management put it, the action caused "a serious dislocation of railway operations." By engaging in this work stoppage the workers were acting in violation of their contract and of law, both civil and criminal.

The workers complained that the CNR, a government enterprise owned by the people of Canada, was being unreasonable in the way it was introducing the new run-through system. The company denied this. Prompted by Douglas Fisher, the NDP Member of Parliament for the Northern Ontario riding of Port Arthur (Thunder Bay), which included a

The Winnipeg Tribune (14 January 1965), Winnipeg, Faculty of Law Archives.

series of railway towns, the government decided to intervene in the affairs of its crown corporation.² The Minister of Transport, Jack Pickersgill, phoned the CNR President, Donald Gordon, who in turn agreed that if the government would appoint an independent and impartial person to examine the company's run-through proposals, the company would postpone its plans for run-throughs until after the completion of a report arising from such an examination. The Prime Minister, Lester B. Pearson, agreed to this plan.

To my great surprise, Pearson himself telephoned me from Ottawa on Wednesday, November 4, asking me if I would be willing to become, in effect, a one-man commission to investigate the CNR, the workers, and this run-through problem. They wanted me to make recommendations on the current dispute and set principles for the future. What led Ottawa to select me for this job, I have no means of knowing and no disposition to guess. I had met Lester Pearson, but only casually. My brother Max knew him much better than I did. Mr. Pearson wouldn't have known me if he had seen me on the street, but if I had identified myself as Max's brother that would have undoubtedly brought a spark of recognition. I had not paid much attention to the run-through problem and only knew what I had been reading in the newspapers about it. At the time I certainly didn't appreciate the dimension of the issues involved.

Essentially, as I would find out, the run-through was a product of technological advance resulting from the substitution of the modern diesel engine for the older steam engine. Both the CNR and the Canadian Pacific Railway (CPR) were introducing diesels and taking steps to eliminate division points in an effort to save on time and cut expenses. It used to be that trains using steam locomotive engines had to stop about every 125 miles for servicing and to change crews, and the rail companies had therefore established terminals, with water towers and coal depots, at roughly that distance to take care of those needs. This meant that every 125 miles or so a town would grow up. Railway men would live there, and with them came a need for supporting services: a grocery store, church, school, restaurant, hotel, barber shop, perhaps a movie theatre. For its own needs the railway set down a roundhouse and maintenance and repair shops, with their appropriate staffs.

See Donald MacKay, The People's Railway: A History of Canadian National (Vancouver: Douglas & McIntyre, 1992) at 234–37, which emphasizes the role of MP Fisher in the events surrounding the resolution of the wildcat strike.

The diesel engine could be operated for up to 6,000 miles with little more required than fuelling and minor servicing, and the rail company now found that it was unnecessary to make all the established stops. The coming of the diesel, along with other technological advances-extensive use of steel equipment, centralized traffic control, improved road beds, automatic hump yards, the use of train radio, to name some-made it possible for the railway to run well beyond the former distance without a change of crew. The train travelling in Ontario from Hornepayne to Armstrong on the main CNR line north of Lake Superior, for instance, now didn't need to stop at Nakina, the halfway mark. It could run-through the town. The effect was that workmen at Nakina were in danger of becoming redundant, and Nakina was in danger of becoming a ghost town.

By October 1964 Nakina, a town of eight hundred people, had been a turnaround point for four decades and "home station" to ninety-one CNR employees, including forty-nine in the running trades—engineers, firemen, trainmen, and conductors. The remaining non-operating personnel served in telecommunications, station, equipment, signals, and maintenance of way. With their families added, the local railway population made up a total of somewhere over three hundred individuals. Nakina at the time could fairly and accurately be described as a railway town. In fact it owed its origin to the CNR, which, over forty years earlier, had created and established it as a railway terminal. Canadian National was Nakina's principal employer, though the Kimberly-Clark paper mills employed thirty-eight persons from Nakina in its logging operations in the district. There was no other major employer. Much of the remaining working population consisted of persons engaged in businesses of a service nature. In addition Nakina served as a turnaround point for other running trades personnel. Such crews, "turning around" at Nakina, were provided with sleeping accommodation by the company. The scheduled daily main traffic passing through Nakina consisted of six passenger trains and eight freight trains.

The proposed October 25 change—the first step in a program to be completed by 1966-would have meant daily runs through Nakina by entire engine crews of two passenger trains in each direction and train crews on a freight train. The full implementation of the CNR plan at the end of a two-year period would have reduced running trades employment by forty-four jobs, with twenty-three of these being engineers and firemen's positions and twenty-one trainmen's positions. In addition the jobs of six non-operating employees—two telegraphers, two janitors, and two yard clerks—would have become redundant. In total there would have been a reduction of fifty railway jobs.

The situation at the smaller depot at Wainwright, about 126 miles east of Edmonton and 140 miles west of Biggar, was different. The CNR proposed running its trains 266 miles between Edmonton and Biggar, avoiding the midway stop at Wainwright. The main impact of the runthrough at Wainwright would be felt on Biggar, a community of about 2,850 people. The CNR had 197 operating employees and 38 nonoperating employees in Biggar. These 235 employees made up 43 per cent of the labour force in the town, but their earnings, \$1,625,680 annually, represented 64 per cent of the total income of all workers there. The effects of removing the running trades upon business in the town, the value of real estate, the maintenance of schools, hospitals, and other facilities, and the integrity of the tax structure would all be decidedly gloomy.

Despite the flurry of activity around this issue in 1964, run-throughswhich are more accurately termed extended crew runs (and in the United States the phrase "interdivisional runs" was often employed)—were not a new development. There were moments in the inquiry, particularly in its later stages, when the company sought to play down or soft pedal the idea of run-throughs as a technological advance and to treat the run-through operation as old, familiar, and almost routine. There had indeed been some run-throughs in the steam engine days, and more recently runthroughs had been instituted as early as the spring of 1958 in Atlantic Canada. The Brotherhoods had given notice of their vigorous opposition when the proposals for the assignment had first been made known. The railway proceeded with its plan. The company and the Brotherhoods had assumed the posture of antagonists on the issue, and a fissure had gradually developed between them. In some measure the issue was made more difficult by exaggerated fears. In October 1958 the CNR introduced a run-through of South Parry, Ontario, and in November, of Belleville, Ontario. Other run-throughs were implemented in the early 1960s, in Foleyet, Ontario, and Redditt, Ontario. Attempts at conciliation on the issue, in 1961 and 1962, had led to an endorsement of discussion as a sole and sufficient prerequisite to the institution of change. But the Brotherhoods—all of them—wanted something more, namely, negotiation on a basis of parity. Three years later that was still what they wanted.

Doing away with the stops—or establishing run-throughs—had obvious advantages for the railway company in efficiency and cost-saving, but would result in dislocation for the work crews and a change in their hours of work. Moreover, it would threaten the existence of the two railway towns in question—and possibly a number of other towns in the future. As the report put it:

Had the run-throughs proceeded as scheduled the impact upon Nakina would have been felt at once. The knowledge that it would cease to be a home terminal and that nearly all the men in the running trades would be moving from it would assuredly have had an instantaneous effect in forcing down real estate values. Who would move in to Nakina to buy the homes of the absent railway men? Every piece of real estate in the town would, from the very institution of the runthrough, become less valuable to a significant degree.³

Mr. Alfred A. Petrone, Q.C., in his submission on behalf of the Improvement District, said that the implementation of run-throughs at Nakina would produce "a chain reaction which is telescopic in its projection." Railway families would not be the only ones compelled to move. Others would follow. The three stores in the town would likely be reduced to one, the hotel might cease to function, the theatre would close down, the barber shops and restaurants would disappear or be reduced in number, some of the teachers in the town would no longer be required. The assessment and tax levy would also be seriously affected by the change in operation.⁵

Certainly, Nakina would become a town with a drastically reduced population, a diminished payroll, and all in all a very bleak future.

When Mr. Pearson called I said it was an honour to be asked to take on the job, but I would have to clear it with Chief Justice [Calvert Charlton] Miller and my other Appeal Court colleagues—Mr. Justice [Ivan]

The Honourable Mr Justice Samuel Freedman, Report of the Industrial Inquiry Commission on Canadian National Railways "Run-Throughs" (Ottawa: Queen's Printer, 1965) at 57 [Freedman Report].

⁴ Ibid.

⁵ Ibid.

Schultz, Mr. Justice [Robert DuVal] Guy, and Mr. Justice [Alfred Maurice] Monnin. The Prime Minister asked me to telephone my decision to the Minister of Labour, who was then Allan MacEachen, and said he hoped I would be able to give them an affirmative answer. When I talked to the Chief Justice that same day I told him what the Prime Minister had told me: that this was estimated to be a three-month job. Chief Justice Miller and my other colleagues on the court generously agreed to release me. I left for Ottawa the next day to begin making preliminary plans for the inquiry.

In the end the task turned out to be larger in scope than any of us had expected. In fact it became a job for one year, and it was a job I was only able to do because my colleagues took over my own regular Court of Appeal work themselves. When I began I had no previous experience with railway matters. As I told a Winnipeg reporter, "I'm bringing a fresh mind to this problem, unencumbered by facts or prejudice."

The appointment, made under provisions of section 56 of the *Industrial Relations and Disputes Investigation* Act, became official on November 5, 1964, and my work began immediately thereafter. The parties to the dispute were, on the one side, the CNR and, on the other, the running trade brotherhoods: the Brotherhood of Locomotive Engineers (B.L.E.), the Brotherhood of Locomotive Firemen and Enginemen (B.L.F. & E.), and the Brotherhood of Railroad Trainmen (B.R.T.). Although the inquiry was concerned with the CNR and the CPR was not, under the appointment as drawn, an intended party to the proceedings, we did extend an invitation to that other large railway company to participate. It did not accept the invitation, but in the end some evidence relating to the CPR that was relevant to the issues we were looking at also found its way into the record.

One of the first things I did was set up an initial meeting of the interested parties for Monday, November 23, in Winnipeg, to hear both sides on the issue involved. The inquiry would cover three broad areas of investigation: the factual situation pertaining to the run-throughs at Nakina and Wainwright; the industrial situation arising from these run-throughs; and a report of findings and recommendations for general application to similar situations arising in the future. Nakina and Wainwright were the two run-through points cited in the order of council setting up the commission, but there were numerous other places slated for run-throughs—the company's plans called for fifteen more run-

throughs to be made over the next three to five years-and, indeed, the issue was one aspect of the larger problem of technological change.

At the time I became convinced that the current situation afforded an opportunity to place on the record the actual facts relating to the runthroughs. The railway company would have to show that in proceeding with its plan it acted properly and reasonably. It would also have to show that the response of its employees was improper and perhaps illegal. Counsel for the unions involved would have to show that the railway acted improperly and unreasonably and that the conduct of the employees in going on a wildcat strike was justifiable.

The hearings were set to start in Winnipeg in mid-January and to continue there until the end of the month. In February we went to Nakina for week-long hearings, followed by sittings at Saskatoon, Wainwright, Prince George, B.C., and, early in March, Moncton, N.B. We set final hearings for Winnipeg on March 9. Although this somewhat rugged schedule involved a degree of inconvenience and some occasional discomfort for those actively concerned with the work, the Commission was satisfied, in retrospect, that the course followed was both justified and sensible. In the end the hearings occupied forty-three days; we heard from forty-one witnesses and received thirty-six written briefs.

After starting my study into the problem I soon found that the issue was not unique to Canada. A recent U.S. Presidential Railroad Commission, presided over by Judge Simon H. Rifkind, had dealt with much the same matters, and by December its report had become part of my obligatory reading.⁶ My own assignment was of much smaller dimensions than the U.S. study, but I felt I would be happy to produce something, on a reduced scale, that would approach the Rifkind effort.

Sam Freedman's work on the railway commission began at the midpoint of a tumultuous labour-relations period. In the 1960s unionized workers were militantly trying to protect, and build on, gains made in the postwar years of prosperity, growth, and accommodation. As a result, strike (wildcat or legal) had followed strike, reaching a historic peak of 617 in 1966. By the middle of the decade these strikes,

The U.S. presidential inquiry had disagreed with the request by railroad companies that their managements be given a non-reviewable right to impose a run-through. The Winnipeg Free Press (23 January 1965).

along with other labour disputes, had shaken confidence in the industrial relations system, and a string of government investigations and commissions both provincially and federally tried to find solutions that would ensure "labour harmony and peace." The legislation in place had not kept up to changes in the economy and its workforce.

The 1960s were also a time of rapid growth of technological change, and industrial relations legislation was unequipped to handle these changes. One of the key issues of the time—and particularly pertinent to the railway run-through issue—was the role of management's rights, and in particular the theory of residual rights, according to which both management and labour were bound by what was contained in the collective agreement; anything not in the collective agreement fell into a "residuum" or core of rights not bargained away. Those residual rights belonged to management, which theoretically had a unilateral right to do as it wished with any subject not included in the agreement. As one analyst pointed out, "The theory traces its history to the concept of master and servant, when any rights not expressly given to the servant were obviously held by the master."

If management decided to introduce a technological change that affected workers during the lifetime of a union contract, according to residual rights theory it was perfectly able to do so, without consultation with employees, on the grounds that the new technology was not covered in the contract.

The classic text by Stuart Jamieson on industrial relations in Canada reinforces this point in referring to the volatile labour actions of the 1960s:

Canadian labour legislation has required workers to fulfill the conditions stipulated in their union agreements, once these have been negotiated and signed by both parties. Feelings of insecurity, unrest and resentment have been provoked by the widespread practice, in managerial circles, of unilaterally introducing technological changes without prior consultation with workers and their unions.⁸

William P Kelly, assistant deputy minister, Federal Mediation and Conciliation Service, Labour Canada, address to the Personnel Association of Toronto Conference on Industrial Relations, Toronto (7 March 1978), Winnipeg, Provincial Archives of Manitoba (box 77, file no 4).

Stuart Jamieson, Industrial Relations in Canada, 2d ed (Toronto: Macmillan of Canada, 1973) at 109-10, 140.

The battle of the railways with management—and more than one of these pitched battles occurred in the 1960s—was largely over these undefined rights. Sam Freedman would play a pioneering role in helping to officially define them. He did this during a time when the prevailing attitude towards unions among those in positions of power was less than supportive. In the 1960s, as historian Desmond Morton puts it, "If unions were now accepted and legally integrated, the philosophy of many politicians and the interests they represented was unaltered: unions were a necessary evil."

The first brief presented to our Commission in January 1965 came from the railway. Its thirty-eight-page statement argued, in terms that would become even more familiar decades later, that the "highly competitive environment of the transportation industry required the railway to be competitive as to price and service." The company maintained that the workers, by booking off sick on the weekend of October 24, had adopted a "negative attitude towards the operational changes." The railway stated, "The old concept of a 100-mile crew run for passenger service as representing the basic day's work has become outmoded." The CNR also cited a "traffic erosion" trend as a factor in necessitating changes.

In Nakina, a Women's Anti-CNR Run-Through Committee argued that the CNR had established Nakina for its own convenience, "and now again for their own convenience they want to destroy the roots which they themselves planted." A brief from the Nakina Improvement District contended that the run-through was a matter of life and death for the community. "Citizens of Nakina must not become the pawns of automation." Evidence showed that the railway employees in the town paid a third of the total local taxes. 12

A week or so after the appointment, Sam would write to a friend, "I am just getting my feet wet in railroading. It is a big job." A month into

Desmond Morton with Terry Copp, Working People: An Illustrated History of the Canadian Labour Movement (Toronto: Deneau Publishers & Company, 1984) at 247.

¹⁰ The Winnipeg Tribune (14 January 1965).

¹¹ The Winnipeg Tribune (13 February 1965).

Nick Hills, "Labor Getting Say on Technological Changes", *The Gazette* (Montreal) (26 October 1971); see also *Freedman Report*, supra note 3 at 57.

the project Sam received a letter from Mrs. Margaret Konantz, MP, Ottawa, congratulating him on the appointment and referring to "this knotty problem." Sam replied: "I confess that I am up to my neck now in intensive reading on railway matters, the MacPherson Commission Report, automation, technological change and its effect on displaced workers, and so on and so on."13 He was soon telling people who wrote asking him about speaking engagements that he was "unable to take on any additional commitments during the period of the inquiry."14 In March Sam wrote to fellow Winnipeg North-Ender Meyer Brownstone. then overseeing the Royal Commission on Bilingualism and Biculturalism in Ottawa, turning down an invitation to speak on "professional ethics and in particular the relationship between professional ethics and public administration." Sam said his work on the commission "has been made possible only by the graciousness of my judicial colleagues who have taken on more work in order to release me for the work of the Commission." He hoped to be back at judicial work by September.15

The correspondence during this period tells the continuing, and building, story of the magnitude of the project.

To Herman Finkelstein, American Society of Composers, Authors and Publishers (ASCAP), New York, March 29, 1965:

"We are approaching page 5,000 of the evidence. I think that we are in the home stretch at last. But then I will have the big job of analyzing the evidence and writing a report. I am afraid that I will not [be] finished before the end of June." 16

The MacPherson Commission (Royal Commission on Transportation) was appointed by the federal government in 1959 to investigate transportation policy, particularly freight-rate inequities. Its three-volume report was issued in 1961.

Letter from Sam Freedman to JO Blick (Jack) (18 November 1964), Winnipeg, Provincial Archives of Manitoba (box 68, file no 5); Letters between Sam Freedman and Mrs Margaret Konantz, MP, Ottawa (8 and 14 December 1964), Winnipeg, Provincial Archived of Manitoba (box 68, file no 5); Letter from Sam Freedman to Mr Calvin Tallis, Saskatoon (28 January 1965) re request to speak to Saskatchewan Bar Association, Winnipeg, Provincial Archives of Manitoba (box 69, file no 1).

Letter from Sam Freedman to Meyer Brownstone, Ottawa (18 March 1965) Winnipeg, Provincial Archives of Maniotba (box 69, file no 3).

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 3).

To Very Reverend Father Patrick G. Malone S.J., Loyola College, Montreal, March 10, 1965, turning down yet another speech invitation:

"This task [the railway commission work] has proved to be lengthier and more complicated than I thought it would be." 17

To Mr. Sargent H. Berner, editor of the University of British Columbia Law Review, Vancouver, April 15, 1965, who had invited him to submit an article or comment to the journal:

"It has been a massive undertaking. Its discharge will involve a leave of absence on my part from my judicial duties aggregating perhaps eight or nine months. On my return to the Bench I will have to pitch in and make up for my earlier absence. In that situation I will not have much time for extra-judicial endeavours."

By April 9, 1965, Sam was indicating that the commission had 356 exhibits and had heard from about 35 witnesses. He had personally inspected cabooses and taken a ride on a diesel locomotive. His self-imposed deadline was now June 30th. 18 By May he had compiled over 6,000 pages of testimony, and the end to his deliberations was nowhere in sight. 19 The deadline was soon extended. By July the estimated date of completion had become October 1st. "The task of writing and checking the evidence, to be sure of getting it accurately and completely, is taking much longer than I had thought," he told an interviewer. "And the problem is a vast one."

To Mrs. Harold Miller, c/o Holy Blossom Temple Sisterhood, May 26, 1965:

"I am now in the process of analyzing the evidence and writing my report. I would like to be through by mid-summer, but it may not be possible."²¹

To Max Freedman, June 11, 1965:

"The run-through problem is proceeding slowly. There is a mass of evidence to analyze, nearly all of it dull. I am afraid it is not a topic which lends itself to vivid

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 4).

¹⁸ Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 4).

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 5).

The Winnipeg Free Press (10 July 1965), Winnipeg, Faculty of Law Archives.

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 5).

154 MANITOBA LAW JOURNAL | VOLUME 37 SPECIAL ISSUE

writing. My aim is simplicity, lucidity and brevity. Meanwhile I have started in on chapter 4, and the report will include 11 chapters in all.²²

To Herman Finkelstein, June 28, 1965:

"I am deep in the railway problem, at the stage of writing the report. It is slow going, but I will get there by October 1st, I hope."²³

To Dr. J. Francis Leddy, Pres., Univ of Windsor, July 13, 1965:

"[I am] presently engaged in the dull reading of railway matters relating to the Industrial Inquiry Commission."²⁴

To James S. Lombard, Minneapolis, Sept. 21, 1965:

"At the moment I am in the last stages of my railway run-through report and from Oct. 1st I will have to be hard at work again on the regular court assignments."²⁵

To Bernard Sachs, South Africa, Sept. 29, 1965:

"I will send you the Report after it has been published; but you do not have to read it." 26

CNR counsel J.W.G. Macdougall of Montreal had argued that the study should be limited to the run-through problem. In closing remarks made when the inquiry part of the commission's work had ended in Winnipeg, early in May, Sam stated that it seemed "impossible to dispose of the [industrial] problem without dealing with the theory of management's rights."

The 163-page Report of the Industrial Inquiry Commission on Canadian National Railways "Run-Throughs" was finally presented to the Minister of Labour on Nov. 17, 1965, and issued to the press on December 9. A newspaper headline that day said "Freedman supports rail union." Another: "Judge says rails should negotiate run-throughs." The focus of the main finding was clear: the report called for the CNR

Letter, Winnipeg, Provincial Archives of Manitoba (box 101, file no 17).

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 6).

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 7).

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 8).

Letter, Winnipeg, Provincial Archives of Manitoba (box 69, file no 8).

to negotiate with its labour unions before being allowed to introduce crew run-throughs. In other words, the report recommended that the government restrict management's rights to make changes affecting

EXCERPTS FROM THE FREEDMAN REPORT

The Competitive Environment in Transportation

Canadian National took as its starting point the highly competitive environment which has characterized the transportation industry since the end of the Second World War. The intensity of competition has compelled the company to look for every possible means of achieving greater efficiency in its operations and of reducing costs. Run-throughs are only one aspect of an extensive modernization program designed for the attainment of these ends.

Documenting its case the company called attention to the fact that the old monopolistic position of railroads had disappeared. It had ceased to exist as the result of the emergence or growth of other agencies of transportation. Among these agencies were oil and gas pipelines, water carriers, trucks and trailers, all of which had significantly eroded the former preeminence of railways in the handling of freight. In the passenger field the extensive use of the private automobile moving over more and better highways, and the growth in volume of both bus and airline passenger traffic have similarly contributed to the relative decline in the position of railways. To these factors must be added the competition within the railroad industry itself. For the Canadian National this means largely competition from the Canadian Pacific Railway. The net result of all these factors is an acute and growing awareness on the part of the company that its policies must be revised and adapted to meet the new competitive environment...

The company responded ... by striving to make its total operation more efficient, more adaptable, more economical [The program] involved extensive changes and improvement in plant and equipment, not least of all through dieselization; it included the installation, on the company's main lines, of centralized traffic control-a system which replaces the conventional system of train orders and which enables a dispatcher by remote control to direct the movement of trains over distances as great as 100 miles in either direction; it embraced the creation of four automatic hump yards-at Moncton, Montreal, Toronto, and Winnipeg-which provide a highly

²⁷ News clippings (9 and 10 December 1965), Winnipeg, Faculty of Law Archives.

mechanized and speedy method of classifying, sorting, and marshalling freight cars; it featured the establishment of modern shop facilities, major track improvements, and train radio; and it marked the introduction of dynamic sales techniques. To improve service and to reduce operating costs were the company's twin objectives in face of the challenges which it confronted.²⁸

The Strike as a Grass-Roots Protest

The Commission is of the view that the wildcat strike was fundamentally an act of protest—primarily against run-throughs as a form of railway operation made possible by advancing technology; secondarily, against what was regarded as the company's arbitrariness in imposing them; and finally, although to a smaller degree, against the Brotherhood leaders for having failed to secure protection against unilateral changes in working conditions being made during the existence of a contract.

That 2800 men acted in the same way-booking off sick-is not necessarily inconsistent with their conduct being a grass-roots protest. For, in the first place, they did not need Brotherhood leaders or anyone else to tell them that this device existed. They knew it very well themselves. Indeed ... there had been talk of booking off sick four years earlier when another run-through had been imminent. In the second place, the process by which this knowledge was translated into widespread common action is quite understandable and involves no mystery. For the men concerned the run-through was the topic of the hour. It needs little imagination to appreciate the extent to which it must have been the subject of active discussion among them. One man declares he will book off sick, a second says he will do the same, and soon the idea begins to take hold and spread. It must be realized that during this period the men were probably together a lot-at work, at their respective terminals, or at meetings, both formal and informal. Conditions accordingly were favourable to imitative action producing a common result. At some places (Biggar, for example) the men themselves set up committees to work on the cause. Doubtless the entire process was accelerated on the final Sunday when radio and television reports brought news of similar booking off at other terminals. But even then not all the men booked sick. It was a case of individual action on individual responsibility. Significantly, however, the greatest proportion of booking off took place at those terminals which were most directly concerned with run-throughs....

The work stoppage was essentially an act of protest....

Freedman Report, supra note 3 at 36-37.

Mention should be made of a report filed in evidence by Mr. James N. McCrorie, a sociologist. Entitled "The Biggar to Calder Run-Through: A Case Study," it revealed the reactions of many of the men in Biggar to the proposed run-through. The Commission had found this study helpful. On the matter presently being considered Mr. McCrorie cites various comments by the men. The following are extracted from his report as typical:

"They think we are a bunch of gypsies; that we can just pick up and move when they feel like moving us."

"Yesterday it was the men in the shops. Today it is the run-through. Tomorrow our jobs will be on the block."

"We just built a home in Biggar ... All our life savings are tied up in that home. Now they are going to move us."

"They have pushed us around for too long. This time they pushed too far ... They knew we didn't want this thing. They tried to ram it down our throats."

Comments such as these reveal the intensity of feeling which the company's plan provoked.

But the protest of the men had a still more fundamental basis. It derived in large measure from a sense of insecurity in face of a changing technological world.... 29

Technological Change—An Economic and Human Problem

... Economists tell us that the problem of technological change is not new but that it is simply the modern form of a process as old as the Industrial Revolution, if not older. Nor is it, as many of them say, a cause of unemployment; it is rather a source for the creation of new jobs. They add that when economic conditions are buoyant and the demand for labour is brisk, technological changes can be introduced without any significant disruptive effects upon the work force. It is only when the economy is sluggish and when government action has been inadequate or ineffective to strengthen it that technological innovations bring unfortunate consequences to individuals. But in such circumstances the villain is not technology, which is

Ibid at 78-80.

an instrument for industrial progress, but rather government, which failed in its responsibility to keep the economy healthy and vigorous.

This thesis is probably sound. The Commission, however, would venture an observation concerning its practical application in a specific situation. A perfectly buoyant economy is always an ideal but rarely an attainment. When such an economy does not exist (a usual situation, one might say) and technological change is introduced with disruptive consequences, a worker whose job has become redundant is likely to find little consolation in the reflection that he is a victim not of technology but of government inaction. For him the stark and immediate fact is that he is jobless. Admittedly if the total demand for labour happened to be great he could quickly move into other employment-in which case there would be less occasion for him to isolate or identify technology as the source of his trouble. Very often he might simply be reassigned to another job with the same employer. Even then, however, he might be confronted with the need to learn a new kind of work, his old skills having been made obsolete by technological advance. Taking a broad, national, long-range view and looking at employment in its totality the economists may be justified in contending that technology does not cause unemployment. Within the total picture, however, technology may bring about individual cases of difficulty and hardship, cases which will be multiplied if the general demand for labour is slack.

Moreover when a job becomes redundant the impact of the change may extend beyond those who seem immediately affected by it. A wise and benevolent employer may protect the present job holder either by retaining him in it until his retirement or by assigning him to another job. But what of the new entrant into the industry? For him the former job no longer exists. "Silent firing" is what this state of affairs is sometimes called. This new member of the labour force may perhaps have a different job available to him. But he may have to go elsewhere to obtain it, and so even in such case some hardship would result from the technological change....

Whatever may be said about basic causes, the simple fact remains that the run-throughs on the C.N. would be immediately accompanied by job reductions and job dislocations. Those are the consequences in human terms; and to eliminate or reduce their effect is the task to which cooperative efforts of management, labour, and government must be directed.

One merit of the statement of the case by the economists is that it focuses attention upon the responsibility of government to act with vigilance and wisdom in creating conditions in which technological change may safely and advantageously be introduced. In that regard the role of government is at least twofold. It must be concerned on the one hand with employment policy—that

is to say, with adequate policies of economic development to increase the total demand for labour. It must be concerned on the other hand with manpower policy-that is to say, with policies of manpower training, retraining and relocation to create a flexible and mobile work force with fully developed skills.

There are indications in Canada of government awareness of the problem. Apart from general policies designed to secure economic stability and development, there has been evolved in recent years a whole series of policies and programs aimed at providing greater protection for the individual against the challenges and threats of the technological age More can and must be done, but a good beginning has been made. In that setting, industry and labour ought the more confidently to move forward in cooperative affairs to meet the problem.

For assuredly there are responsibilities on others besides governments. There was a time, in orthodox micro-economic theory, when the entrepreneur could treat all factors of production-land, labour, capital-as commodities which could be purchased in a market. His task was simply to assemble these factors and constantly to readjust them in the combination most favourable to the profit position. A technological innovation might enable him to use less of the factors of production to achieve a given end. The introduction of the diesel locomotive is one illustration of such an innovation. It enables old factors of production to be released, sometimes to retirement, sometimes to other uses. Steam-powered locomotives for the most part were released to scrap, and a few to grace public parks as durable monuments of solid utilitarian functionalism, if not always of aesthetic delicacy. But what happens when a technological change releases a factor of production called labour? Clearly it poses problems not so easily written off or disposed of. The old concept of labour as a commodity simply will not suffice: it is at once wrong and dangerous. Hence there is a responsibility upon the entrepreneur who introduces technological change to see that it is not effected at the expense of his working force. This is the human aspect of the technological challenge, and it must not be ignored.

There are responsibilities upon labour as well. Perhaps chief among them is not to use its organized strength in blind and wilful resistance to technological advances. Labour must recognize the constructive role of technology in the general welfare and economic strength of the nation. Nor should it insist upon unreasonably high rewards or excessive safeguards as the price of its acceptance of change. Stubborn opposition to measures of progress can only hurt the nation, labour not least of all. There is a challenge here to labour leadership. The leader of labour who by speech or pen constantly

160 MANITOBA LAW JOURNAL | VOLUME 37 SPECIAL ISSUE

inveighs against technology and automation as enemies of man hardens attitudes of resistance among his followers, and thereby does a disservice to society. ³⁰

Previously management had a distinct advantage over workers because of the statutory no-strike clause during the life of a contract and the theory of residual rights. The Freedman Report proposed that unions get a veto over any "material" change to be made within the life of the contract. The parties would be forced "to bargain over all important issues whether they were included in the collective agreement or not." On this point, the report provided the following:

Management's Right to Institute Run-Throughs

... A power of veto is not necessarily and inherently a vicious thing. It is the irresponsible abuse of that power which is vicious and should be condemned. The term "veto" may have a sinister connotation in an international setting dominated by a cold war. But after all, is it not something which is encountered every day whenever two contracting parties sit down to arrive at an acceptable meeting of minds? One party puts forward a suggestion. The other party may accept it, or may reject it, or perhaps accept it in a qualified form. In either of the last two instances the second party may be described as having exercised a veto. But that is precisely what occurs in the normal process of give and take in every bargaining situation preceding the formation of a contract.³²

My inquiry found that the Brotherhoods did not instigate the strike, though some of their leaders did not do very much to stop it once it began to get underway....

It further found that a run-through expedites service by eliminating needless delays and that it saves the company money. Run-throughs, the report said, are a legitimate and justifiable feature of railway operations.

³⁰ Ibid at 81-85.

Larry Haiven, "PC 1003 and the (Non)Right to Strike: A Sorry Legacy", in Cy Gonick, Paul Phillips & Jesse Vorst, eds, Labour Gains, Labour Pains: 50 Years of PC 1003 (Winnipeg and Halifax: Society for Socialist Studies and Fernwood Books, 1995) at 216–17.

Freedman Report, supra note 3 at 96; see also Haiven, supra note 31 at 217.

They should be implemented, subject to appropriate safeguards for the protection of employees and of communities. But the institution of runthroughs should be a matter for negotiation. It should not be treated as an unfettered management prerogative. What is required if the men are not to feel that they are victims of a plan instead of participants in it is negotiation on the basis of parity.

Run-throughs are of two kinds. One run-through may have serious consequences for an appreciable number of men. Another run-through may have virtually no impact at all or only a slight impact on very few men. Either party should have the right to refer to an arbitrator the question of whether the proposed run-through falls into the former class or the latter. If the arbitrator concludes that it is in the latter class, the company would at once be entitled to put its run-through plan into effect. But if the arbitrator decided that the run-through was within the former class, as causing a material change in working conditions, the company (unless it could secure employees' consent) would be required to submit the plan to negotiation subject to the legally available sanction of the strike and lockout.

Those were the points related to run-throughs specifically. On the broader issue of technological change, I can summarize my points in the following way:

- 1) Technological change should not be introduced at the universal will or whim of management; it should be the product of discussion and negotiation, with adequate advance notice, adequate lead time for the consideration of all the related problems.
- 2) Technological change, when instituted, would confer benefits on management—that was the reason it was being introduced. My feeling was, and I said it in the report, that technological change should turn out to be beneficial to the employees, in this sense: that we couldn't have all the benefits falling on the side of management and the disadvantages falling on the workforce. Therefore some of the profits resulting from technological change should be diverted from management to ease the blow, to cushion the shock and help the workman.

One of the things we recommended was that any employee who was required to change his place of residence as a result of a run-through should be compensated for financial loss suffered in the sale of his home for less than its fair value. But we also looked at the company's obligations to the communities involved, indicating that the duties of good corporate citizenship, which the CNR itself acknowledged, required particular attention to matters such as timing and phasing of change, adequate advance notice, and technical assistance to aid the community in adjusting to the impact of the change.³³ We added:

With regard to run-throughs two contradictory policies of the company appeared to be warring for supremacy. One was a policy of giving advance notice to communities; the other was a policy of silence, lest early communication stir up unrest and agitation. The Commission expresses its approval of the first policy, its disapproval of the second.³⁴

We also noted both the union and government obligations to the communities. "Good union citizenship is no less requisite than the corresponding duty placed upon corporations." We recommended that the union review its system of seniority, which contained rigidities that were impeding the process of adaptation. As for the government, after a notice from the company of a proposed run-through has been given, it should take steps to implement a hearing to consider the reasonableness of the company's plan. A government board or authority would consider the probable impact on the community of the proposed run-through,

with a view to determining not if the run-through should be introduced at all but rather *how* and *when* it should be introduced.

If public policy requires delay in the institution of a run-through, public policy should pay for that delay. In practical terms this means that the company should be reimbursed from Federal public funds for such pecuniary loss as it is compelled to sustain because of compliance with the Board's (or Authority's) order imposing delay After a run-through has been instituted there would still be a responsibility on the nation towards an affected community to reduce the disruptive effects which the run-through has caused Regrettably the perpetuation of a community in its existing state cannot be guaranteed. Hence, in suggesting safeguards for communities, the Commission's purpose has been not to prevent run-throughs but only to delay them for a reasonable period to allow for adjustment to their effects. ³⁶

I am simplifying the points a bit, but the report dealt with the problem in human terms I hope. My summary concluded:

³³ Ibid at 111-112.

Paraphrase of the Freedman Report, ibid at 112-113.

³⁵ Ibid at 113

Paraphrase of the Freedman Report, ibid at 144.

One last word. The findings and conclusions of the Commission have sometimes favoured one side, sometimes the other. Neither the company nor the Brotherhoods have escaped criticism. Even the law has been criticized and found to need correction. What happens now? Much will depend on the company and the Brotherhoods Each must be prepared to yield something in the interests of future industrial peace. The company must adjust to the idea, unpalatable perhaps but necessary, that run-throughs should be negotiated. The Brotherhoods must give up any notion that run-throughs are improper and should approach the negotiation of them with reason and responsibility. In that spirit of cooperation and mutual trust the cause of the company, the men, and the nation can be properly served and advanced.³⁷

After the report was released it fared somewhat better. I believe, than most such endeavours. Editorial opinion was largely favourable. Of the editorials that came to my attention-about thirty or forty-I would sav that 80 per cent were favourable. They thought the approach was progressive, forward-looking. The Financial Post dissented. The Winnipeg Free Press expressed a respectful dissent, in courteous language not unmixed with praise. I wrote to a friend, "If I do not encounter anything worse than that, I will be very happy." In general the critics-most of them from business and industry-agreed with the railway company that unions should not have a role in technological change, that management should manage and workers should work.

The unions were appreciative. One of the union men mentioned to someone-and the word got back to me-that they were referring to the Freedman Report as "the book of Samuel."

The unions, indeed, were ecstatic in their response to the report, hailing the report as a landmark decision. W.P. Kelly, vice-president of the Brotherhood of Railroad Trainmen, wrote to Sam: "One could find many adjectives to describe your report. My choice would be analytical, honest and courageous." Maurice W. Wright, an Ottawa lawyer who acted as counsel for the three running trades brotherhoods. wrote saying he was "delighted" with the report and was predicting that it "might become the most significant Report in the field of labour law in the last twenty-five years." ³⁸

Letter to Maurice W. Wright December 20th, 1965

Dear Maurice,

Your letter of December 14th was a joy to read. Thank you for your kindness and for your very generous assessment of the Report.

Doubtless you have read the official statement of the C.N.R., published on Saturday, announcing that they are prepared to enter into discussion with the Brotherhoods aimed at voluntary agreement on runthroughs by negotiation. This was great news indeed. I think the Company is doing the proper thing in accepting the Report, but nonetheless it was a courageous thing for them to do so, and I take my hat off to [President] Norm MacMillan and the others for this.

With kindest personal regards, I am, Sincerely, Samuel Freedman

Soon after the report was issued, H. Altman, Barrister & Solicitor, Vancouver, commented: "Only a man like Freedman who is so highly thought of and well accepted by the judiciary and by practically everyone in Canada, could write a report like that and get away with it If it had been written by some lesser known person there might have been a lot of repercussions and a lot of criticism about it." Labour Minister MacEachen told Sam his report was "a model of clarity and wisdom." He described it as recommending "important innovations" and that it would "receive careful consideration." The report was

Letter from WP Kelly to Sam Freedman (13 December 1965), Winnipeg, Provincial Archives of Manitoba (box 101, file no 17); Letter from Maurice W Wright to Sam Freedman (20 December 1965), Winnipeg, Provincial Archives of Manitoba (box 37, file no 2).

³⁹ Letter (17 December 1965), Winnipeg, Provincial Archives of Manitoba (box 69, file no 9).

Letter from Allan MacEachen to Sam Freedman (16 December 1965); "Freedman Supports Rail Union," unknown paper (probably *The Winnipeg Tribune*) (9 December

soon being touted as "the most controversial and far-reaching labor document of the past decade."41

But sharp criticism came from other quarters. In a brief presented to the new Labour Minister, John Nicholson, in April 1966, for instance, the Calgary Chamber of Commerce reflected the view of the business community in charging that industrial chaos would result from the Commission's proposal that management be forced by law to negotiate with labour on the application of technology affecting working conditions. "We submit that it is completely impractical, verging in fact upon absurdity, to depend upon negotiations to effect improvements in technology and efficiency."42 A similar attack came from the Vancouver Board of Trade. A vice-president of Westinghouse. speaking at a conference on law and industrial relations in May 1966, said Freedman's report "would force manufacturers to innovations" and would "block Canada's economic progress."43

Other more positive responses saw the report as eminently "sensible." In his history of the CNR, historian Donald MacKay noted, "The Freedman investigation gave the unions a voice that helped both management and labour through the difficult technical changes in the years ahead. Without it, similar wildcat strikes would have been likely."

It seems that the town of Nakina also benefited. According to MacKay, "The Freedman Report brought Nakina two decades of stability before it was closed down as a divisional point, by which time it had built up its forest industry."44

By November 1965 Sam was back on the job at the Court of Appeal attending to his heavy duties there—as he put it, "with my desk piled high and the Court calendar with its challenges looming ahead. But this too will pass."45 He was soon turning down requests to speak. In response to one such request he wrote, on Nov. 18, 1965:

^{1965),} Winnipeg, Faculty of Law Archives.

⁴¹ John Walker, "Freedman Report, the Major Rail Issue," The Winnipeg Tribune (18 August 1966).

The Globe and Mail (18 April 1966), Winnipeg, Faculty of Law Archives.

⁴³ News clipping, probably The Winnipeg Tribune (27 May 1966), Winnipeg, Faculty of Law Archives.

MacKay, supra note 2 at 237.

Letter from Sam Freedman to Mr and Mrs Sol Tunick (24 May 1967), Winnipeg, Provincial Archives of Manitoba (box 104, file no 4).

166 MANITOBA LAW JOURNAL VOLUME 37 SPECIAL ISSUE

You probably know that for nearly eleven months while I have been engaged on the C.N.R. run-through problem I have not been performing my regular judicial duties. Now that I am back I can't impose further on the goodwill of my judicial colleagues by hiking off again for one extra-judicial venture or another.

As soon as the Report was published and I was back on the Bench, I at once had to make a decision on what course I should follow with respect to public appearances relating to its subject-matter. I decided—rightly or wrongly, though I think rightly—that I should not put myself in the position of coming before the public either to explain or to defend what the report contained. In line with that policy I declined invitation after invitation to appear publicly, both on television and in other forums.

In adopting this policy of not speaking out or commenting further on his report, Sam was keeping to understood guidelines of judicial behaviour. Although the *Judges Act* states that "a Judge may not, directly or indirectly, engage in any occupation or business other than his judicial duties," judges were often asked to serve as commissioners, arbitrators, referees, adjudicators, mediators, or conciliators by the federal or provincial governments. Bora Laskin, as Chief Justice of the Supreme Court, would sum up a decade and a half later: "These short-term assignments are not intended to establish a career for the Judge in the work he or she carried out. The Judge is expected to make his or her report to the particular government and to regard the assignment as completed without any supplementary comment. Any comment or action is for the government; the Judge himself or herself is *functus*, done with the matter."

Sam continued nevertheless to watch out for feedback on the inquiry. "One of these days," he wrote to a correspondent in June 1966, "my report will be the subject of debate in Parliament."

Bora Laskin, "The Meaning and Scope of Judicial Independence" (Address to the Annual Meeting of the Canadian Bar Association, 2 September 1982), in FL Morton, ed, Law, Politics and the Judicial Process in Canada, 2d ed (Calgary: University of Calgary Press, 1992) at 116.

⁴⁷ Ibid at 117.

Letter from Sam Freedman to Morley R Gorsky (10 June 1966), Winnipeg, Provincial Archives of Manitoba (box 70, file no 2).

Though things moved slowly, the report did not simply lie on a shelf gathering dust. The Hon. Ivan C. Rand, former Judge of the Supreme Court of Canada, was making a comprehensive study of labourmanagement matters for Ontario, and included in that study was the subject of automation or technological change. In clear terms he referred to the run-through report, endorsed its recommendations, and applied them to the issues in his report.⁴⁹ Legislation was not enacted immediately-these things take time-but amendments to the Labour Code of Canada, which went into effect with Bill C-183 in 1973, would encourage the parties in a labour settlement to incorporate procedures and provisions dealing with technological change and ameliorating any adverse effects. There is not the slightest doubt that the changes reflected if not the detail, at least the spirit and the philosophy of my report. Indeed, when the Labour Code was introduced in the House of Commons, the then Minister of Labour, Bryce Mackasey, whom I didn't know, sent me a copy of the proposed code, directing my particular attention to the sections dealing with technological change. In short, the report remained as a tool for input in an active issue that had become current in labourmanagement relations, and ultimately legislation did follow in the federal field as well as in some provinces, including Manitoba, Saskatchewan, and British Columbia.

Dean H.D. Woods of McGill University headed a Task Force on Labour Relations, which reported in 1969. As Desmond Morton put it, "Accepting more of Mr. Justice Freedman than of Dean Woods, the Labour Code [passed in 1973] required ninety days notice of 'any technological change likely to affect the conditions or security of employment of a significant number of employees' and allowed negotiation and the possibility of a legal strike." Stuart Jamieson, writing in 1973, referred to the requirement for ninety days' notice as

Former Justice Ivan C Rand, who served on the Supreme Court from 1943 to 1959, is perhaps best known as author of the "Rand Formula", an "ingenious" labour compromise that came out of his role as arbiter of a strike at Ford Motor Company in 1945. In 1966 Premier John Robarts of Ontario made Rand the chair of a Royal Commission looking for a solution to picket-line violence. See Morton, *supra* note 9 at 248, 262; Craig Heron, *The Canadian Labour Movement: A Short History* (Toronto: Lorimer, 1989) at 85.

⁵⁰ Morton, *supra* note 9 at 279–80.

"the most controversial proposal" in the legislation. ⁵¹ Other commentators argue that the government's legislation was ineffectual in solving the problems associated with technological change. ⁵² Labour historian Craig Heron points out that the Labour Code "broadened the coverage of the legislation and added some protection from the impact of technological change," but that protection was "hardly ever used in subsequent years." ⁵³ Another commentator allowed that "the technological change rule" as recommended by the Freedman Report "has been imitated in a few of the provinces, but it is by no means widely accepted by employers or governments." ⁵⁴ Labour leader Joe Davidson would write, "Freedman's formulation of the problem of technological change in terms of 'significant changes,' adversely affecting 'significant numbers of workers,' raised more questions than it answered." ⁵⁵

Still, decades later the report that dared to back the rights, and valued the lives and communities, of workers would continue to be seen as a milestone in labour relations.

Jamieson, supra note 8 at 130.

See Bryan D Palmer, Working Class Experience: Rethinking the History of Canadian Labour, 1800–1991 (Toronto: McClelland and Stewart, 1992) at 274.

Heron, supra note 49 at 105.

Gordon McCaffrey, "Union-Employer Negotiated Layoffs Recommended in Redundancy Report", *The Globe and Mail* (29 September 1979).

⁵⁵ Joe Davidson & John Deverell, Joe Davidson (Toronto: Lorimer, 1978).



Fig. 7