

NOTE AND DOCUMENT / NOTE ET DOCUMENT

Revolution in Winnipeg

Hugh Grant

Editor's Introduction

THE DOCUMENT THAT FOLLOWS, "Revolution in Winnipeg," contains the observations of a young Canadian economist on the underlying conditions contributing to the Winnipeg General Strike in 1919. In interpreting this article, there are three preliminary points worthy of note.

The first is its author. W.A. Mackintosh, 24 years old at the time, was to become the most important Canadian economist of his generation. Acknowledged as the "co-discoverer" (with Harold Innis) of the staple thesis, his academic writings on the geographical background to Canadian economic development and on the prairie wheat economy were central to the export-based model of economic growth. His *Economic Background on Dominion-Provincial Relations*, written for the Rowell-Sirois Royal Commission in 1939, remains the best single statement of the staples interpretation of Canadian economic history.

Mackintosh was also the principal figure in creating the distinctive school of applied economics at Queen's University, with its emphasis on public policy. Following in the liberal tradition of Adam Shortt and O.D. Skelton,¹ one aspect of this work was to develop a framework for managing capital-labour conflict. He was a strong advocate of Canada's Industrial Disputes Investigation Act and credited Shortt's astute administration with what early success it achieved in ameliorating industrial disputes.² Like Skelton, he was also a strong proponent of the right to collective bargaining but stopped short of endorsing public sector unionism or any actions that threatened the "constitutional authority" of government. Reflecting this concern, Mackintosh was responsible for the first Industrial Relations program in a Canadian university, created at Queen's in the 1930s.

1. Barry Ferguson, *Remaking Liberalism: The Intellectual Legacy of Adam Shortt, O.D. Skelton, W.C. Clark and W.A. Mackintosh* (Montreal 1993).

2. W.A. Mackintosh, "Adam Shortt, 1859–1931," *Canadian Journal of Economics and Political Science*, 4 (May 1938), 164–76.

More important, however, was Mackintosh's contribution to the development of Canadian economic policy during World War II and for post-war reconstruction. On leave of absence from Queen's, he served in various capacities with the Department of Finance between 1939 and 1946. Among other things, he was the chief architect of the Federal Government's wartime labour policy, which sought to balance the burdens of financing the war by restricting wage demands while attempting to ensure that inflation did not unduly erode the standard of living of Canadian workers. It is open to debate how successfully this end was achieved; however, there is no question that his earlier observations on the circumstances of World War I shaped his thinking. Finally, Mackintosh is perhaps best remembered for drafting the White Paper on Employment and Income in 1945, which set out the Canadian Government's vision of the post-war economy managed along Keynesian lines.³

The second point involves the circumstances surrounding the writing of the article. Having obtained his BA and MA at Queen's under the mentorship of Skelton, Mackintosh entered the doctoral program at Harvard in 1916. After one year of study, he accepted a position at Brandon College where he spent two years as Professor of Political Economy. During this period he also worked during the summer for the Department of Labour in Ottawa, contributing to the first attempt to construct reliable wage and price indices. This statistical work, coupled with his familiarity with the surge in labour militancy in western Canada during the latter stages of the war, led to his first academic paper, "Economics, Prices and the War." Written while in Brandon and published in April 1919, the paper emphasizes the unequal burden imposed on Canadian workers by the war effort, where rising prices undermined real wages at the same time as war profiteering was widespread.⁴

Having decided to give up his position at Brandon College and return to Harvard to complete his doctoral degree, Mackintosh departed for Ottawa in June 1919 but upon arriving in Winnipeg found himself in the midst of the General Strike. He took the opportunity to attend union meetings and to interview members of the strike committee. He would return to Winnipeg six weeks later to attend the sedition trials of the strike leaders, accompanied by "Clark" (likely W.C. Clark, the future Deputy Minister of Finance) and probably at the behest of Skelton.⁵ He spoke sardonically of "hunting Bolsheviks" only to

3. Canada, Department of Reconstruction and Supply, *Employment and Income with Special Reference to the Initial Period of the Reconstruction* (Ottawa 1945).

4. "Economics, Prices and the War," *Bulletin of the Departments of History and Political and Economic Science in Queen's University*, no. 31 (also published in *Queen's Quarterly*, 26 (April 1919), 452–67. On the political climate in Brandon at the end of the war, see Tom Mitchell, "Brandon, 1919: Labour and Industrial Relations in the Wheat City in the Year of the General Strike," *Manitoba History*, 17 (Spring 1989), 2–11.

5. Mackintosh's private papers, in the possession of his daughter, Alison Morgan, contain diary entries during his time in Winnipeg from June 17–19 and August 9–14, 1919. His primary purpose in visiting the west was to gather information for his doctoral thesis. Skelton published

find William Ivens and A.A. Heaps to be altogether sensible men, and he noted that Clark had much the same opinion on James Winning, R.B. Russell and William Pritchard: "Much impressed by absolute decent character of former and cleverness and decentness of latter two. Good econ, students and ardent socialists. At BC University only 2 classes – Bolsheviks and Mensheviks."⁶

The third preliminary observation is that the paper reproduced here was never published, nor even polished for publication. The reasons for this are important but unclear. The article is certainly more emotive and polemical than any of Mackintosh's later publications and this may have influenced his self-censorship. In any event, he deemed it sufficiently important to retain among his papers which were eventually deposited in the Queen's University Archives in 1975.

The document thus represents the views of an acute observer of the Canadian economy and industrial relations. It serves as an important expression of the "liberal" view of the necessary reforms to manage industrial conflict and to provide for a more just economy. With Canada's growing economic maturity in the early 20th century, and with appropriate institutional reform and effective state management of the economy, the legitimate demands of labour could be accommodated within the existing constitutional framework. As a corollary, the nascent radicalism of labour in western Canada would subside. Without judging its veracity, this argument adds to our understanding of the political discourse prevailing at the time.



a short note on the "Winnipeg General Strike" in *Queen's Quarterly*, 27 (July–Sept. 1919), 121–28 and Skelton's commentary may well have drawn upon Mackintosh's observations.

6. Mackintosh Private Papers, Diary, 12 August 1919.

Revolution in Winnipeg⁷

by **W.A. Mackintosh, 1919**

The great Winnipeg strike, so far as the unions out on sympathy were concerned, ended exactly six weeks from the day on which it started. About a week later the Metal and Building Trades returned to work. And now numerous persons are pointing [out] the moral, that capital and labour should cooperate rather than contend with each other. (These ingenuous persons have not perceived that the basis of cooperation is the whole point in dispute.) Others are repeating the now trite dictum, "It wasn't a strike; it was a Revolution." Whether revolution or strike, it marks a stage not only in the history of the labour movement of Canada, but in the history of the whole people. Its results will be more far reaching and decisive than those of any other single event since the outbreak of the war.

That such a strike should have occurred, was not a matter of surprise to any person who was familiar with events in Canada of late years. In 1914 we fell into a war which, however much we supported it, was none of our getting. We were less prepared for it both in equipment and temperament than almost any other people. We had at the head of affairs a government already strongly conservative. Britain and the United States entered the war with liberal government, which under the stress of war became more and more conservative. In matters of fiscal policy at least, the Canadian government was reactionary at the outset. A fiscal policy making reckless use of loans and credits, brought with it all the evils of inflation, rising prices, the slow racking of the poor between soaring prices and slow rising wages, and the demoralization of the captain of industry in a situation where "any fool could make profits." What revenue came from taxes, was largely (99% in 1915-16; 89% in 1917-18) a burden on the consumption of ordinary necessities of life, secured by a tariff made for protection, not revenue and with the additional weight of a 7½ % flat increase during the war. Added to this, issue after issue of tax exempt bonds put a premium on large incomes to be paid out of the taxes of the ordinary consumer.

In industry the war found Canada in the throes of "the morning after" the

7. The original document can be found in the Queen's University Archives, W.A. Mackintosh Collection, Box 8, File 176. It is eight pages in length. The first five pages are typewritten, and the last three handwritten. Editorial judgement was exercised in the ordering of the last three pages since the pagination in the original is not consecutive and some of the handwritten material was rearranged by the author. It is possible that a page is missing from the original because of an incomplete sentence at the bottom of one page. Other editorial changes are limited to the correction of spelling mistakes and to four insertions, noted in square brackets, two where a word is obviously missing, a third where the sentence is incomplete, and a fourth where a handwritten word could not be deciphered. Finally, a footnote has been added to provide a reference for the citation from Robert Burns.

real estate debauch of 1912. 1914 and 1915 were lean years of unemployment scarcely precedented in the history of the country. Actual starvation faced not a few in the Western cities before the army rescued them to a wage of \$1.10 a day. As industry hummed faster in the succeeding years Canadian labour had much to be thankful for. Unemployment was eliminated; in some trades wages were unusually high; in all trades anything was better than 1915. In only a few favourably situated trades however, were conditions as good as they were prior to the war. Wages were higher to be sure, but prices soared beyond all comparison. Real wages with few exceptions were lowered. On the other hand, it was an open secret that Canadian business men had found a land flowing with milk and honey. Cost of living commissions only corroborated what was already common knowledge, that under the very eyes of the government, with the blessing of the Food Board, and without disturbing the innocence of the Commissioner of Taxation, Canadian corporations were reaping a bumper crop, a crop so large that a business man could scarcely help garnering in a portion of it. As for the Excess Profits Tax,

We'll get a blessing with the lave,
And never miss it.⁸

Through this period Canada had few strikes. It was unpatriotic to strike when one's comrades were in France; the unions forsook their policy of striking when profits were high; wage increases came, not adequately but fairly easily; above all, against the black background of 1914–15 even the high cost of living did not seem so bad.

During the last few months of the war, the situation was very different. The high prices were steadily becoming more oppressive. Labour organizations were getting back to normal and were swelled by large additions from the ranks of the hitherto unorganized. They were buoyed up by the flamboyant perorations to countless sermons on "reconstruction," "the new day," "industrial democracy," "the square deal for the worker." The reality was in startling contrast to the idea so generously painted by many who were quite innocent of any knowledge of the real. The returned soldier was swelling the ranks and bringing a new list of grievances, because at times, his cake of reconstruction seemed to be mostly dough. More important than these however was the fact that Canadian labour was three years older in war than the hierarchy of the American Federation. The rank and file especially in the West was prepared for action before the armistice was signed, and were already acting before Mr. Gompers had finished his wartime devotions. The A.F. of L. was still cheering the preparations for war, when the Canadian rank and file were being forced by circumstances to shape a policy for peace.

Such was the situation when Labour and Capital began to face the grim

8. Editor's note: from Robert Burns's, "To a Mouse, On Turning Her Up In Her Nest With The Plough" (November 1785) with poetic license taken by Mackintosh. "The lave" is usually translated into English as "what is left."

reality that the end of the war would not bring industrial paradise but rather a sharp slump, in which either wages or profits must act as shock absorber. Both parties began to manoeuvre for position. There was little looking to Parliament Hill for help. The government was either wedded to the "Big Interests" or Micawber-like waiting for something to turn up. Foreign policy and foreign trade excluded more pressing problems. Organized labour as officially allied to the A.F. of L. was but half awake to the situation.

The result was inevitable. Labour in Western Canada long tugging at the bonds which drew it to the more passive East and the purse-strings of the Internationals, began to break away. The rank and file attempted to follow British examples and their own desires by adopting industrial and national unions, consigning the international crafts to the scrap pile. The action was taken by large sections of the unions when they endorsed the plan for the One Big Union formulated by the Calgary convention. The plans for the One Big Union are not very clear. The general intentions are unmistakable. Its originators are done with the A.F. of L. and they seek some more mobile, more adaptable organization suited to the changing industry and to a country developing its peculiar problems, and above all of sufficient strength to stand the strain of the post-war depression. Working class solidarity rather than business unionism was the programme.

On this background came the Winnipeg strike, greater in proportions and bitterness than any previous struggle. It has collapsed utterly. Even the leaders of the strike make no attempt to claim so much as a partial victory. Not a single contention was won. No general reinstatement has taken place. In some cases wages have been reduced. Unions are divided among themselves. The leaders are awaiting trial for sedition and conspiracy. The whole strike organization is beaten to the dust.

It is difficult in the midst of so much bitterness and blind prejudice to dis-sever the various issues but an attempt may be made.

The original *casus belli* was found in the refusal of the Metal firms, three in particular, to recognize the Metal Trades Council, a local amalgamation of all except the railway shops. There were other disputes in regard to wages, and also in regard to the Building Trades Council, a similar amalgamation, but it was generally recognized that the Metal Trades dispute was the main obstacle to a settlement. The unions held that their right of collective bargaining was denied them. The employers on the other hand contested that in dealing with a shop committee and with international unions, (in this case weak reeds) they were recognizing collective bargaining. Much discussion ensued, until the public had recourse to Webster to find what collective bargaining meant. Lawyers attempted to define it, and of course failed as the attempt to define anything living and expanding, in legal terms always fails. A mediation committee of the Railway Trainmen submitted a proposal which was rejected by the employers because it involved the recognition of the Metal Trades Council. Toward the end of the strike the employers issued an offer which agreed to

recognize some such body as the Metal Trades Council but did not specify details. This offer was endorsed by official[s] of the Railway Brotherhoods and the Minister of Labour (late of the Telegraphers Union) as being the recognition of collective bargaining. Negotiations on the details of this offer came to nothing when the arrest of the leaders of the strike was carried out.

The real point of difference arose because in the existing weakness of the international unions, the Metal Trades Council had made a place for itself on a quasi industrial basis. Obviously however such a hybrid structure was not to be given the blessing of eastern craft union officials. The powerful Railway Brotherhoods had no need for such a local amalgamation. To give the Metal Trades collective bargaining on the same basis as the railways, (and this was the contention of the Minister of Labour), was like offering the fox and the stork the same kind of dishes to eat from. One or the other would be helpless. By thus dividing the sympathies of labour and setting the craft prejudices of the east against the industrial tendencies of the west, employers were able to prolong a discussion of collective bargaining when the undraped facts of the case were that collective bargaining as interpreted by the employers meant dealing with several weak unions, while collective bargaining as demanded by the workers meant dealing with one strong amalgamation. After all the vilification and bloodletting around this central issue, the Mathers commission on Industrial Relations has endorsed specifically and by name such organizations as the Metal Trades Council as legitimate instruments of collective bargaining. The opinion of the commission would seem to be that collective bargaining was still denied the workers of Winnipeg.

While the issue of collective bargaining was the original difference in the industrial turmoil at Winnipeg, that issue was soon beclouded in the determination voiced by the committee of One Thousand to conduct a war *a outrance* on the sympathetic strike. The sympathetic strike was called by the Winnipeg Trades and Labour Council, in support of the Metal and Building Trades who were already out. (Further evidence that Winnipeg has strayed far from the fold of the American Federation.) To the average citizen of Winnipeg suddenly deprived of all that makes a city except its mere collection of men and buildings, such a strike seemed to say the least anything but sympathetic. Sympathetic? Revolutionary! Subversive of law and order!

There are a couple of points which are for the most part overlooked. In the first place, a sympathetic strike is a very rare occurrence. Which means that it is very rarely possible. Contrary to current belief in Winnipeg, it is not easily "rigged." Paradoxically a sympathetic strike is only possible in so far as it is not sympathetic in essence. In the average industrial community a sympathetic strike over wages is not practicable. There is not enough interest, solidarity to carry it through. Only where unionists are convinced that not this or that union but the whole fabric is at stake, will the sympathetic strike persist. The worker must be assured not that such and such a group needs his help, but that he and his group are attacked through other groups. He is not fighting to help

another union any more than Platoon No. 1 is fighting to help Platoon No. 2. Both are fighting, for a common object, as necessary to the one as to the other. Refusal to recognize one organization of workers in the eyes of the unionist, strikes at the whole fabric of unionism and hence is as much his affair as that of the other.

In the second place, the innocent community suffering from the effects of the strike is viewed by the striker very much as the innocent bystander injured in a riotous assembly is viewed by English law. He does not exist. He is an impossibility. There is much being said as to the right of the community in the matter of industrial disputes. Much more should be said as to the responsibility of the community. Winnipeg and Canada were not innocent bystanders in the recent struggle. There were not only interested but responsible parties. The way for a community to save itself the enormous cost of a general strike is not to read the Riot Act, but to shoulder the responsibility for industrial relations, so that a widespread strike is not needed to wake it up to its duties. A prominent business man remarked recently, "We have learned a lot, but we needed about a month more of it." He at least, had learned that a sympathetic strike is possible only where there is a patent and fundamental evil; an evil so patent and so fundamental that the community becomes a co-partner in maintaining it. A sympathetic strike does not incidentally hurt the general public, it is aimed directly at a public which has been ignorant of, or has shirked its responsibilities.

That the strike persisted with remarkable discipline for six weeks is eloquent testimony that there was something seriously wrong and that the responsibility rested upon the community to right it. It may be contended that the body of labour was misled by radicals, not thinking that something fundamental was at stake. The Mathers Commission has endorsed the view of the radicals.

Much has been said of late of the One Big Union and an attempted Revolution. The trial of the strike leaders when it takes place, it is to be hoped will give a good deal of light on that subject. One could make a careful surmise however that if an attempt is made to prove that Winnipeg was a prearranged plot to set up a Soviet government and a "dictatorship of the proletariat" that the prosecution will fail ludicrously. If on the other hand, the aim is to prove that the strike leaders are radical, in some cases socialists, that they were ready to strike hard for what they deemed labour's rights, that they gave utterance to statements rather uncomplimentary to the various governments and that in the exuberance of their first success they made statements over boastful, that the sympathetic strike is a challenge to the community, a sort of heretical protest by methods extraordinary, and that the One Big Union is not a "recognized" labour organization and therefore to be deemed "revolutionary", if these are the proofs aimed at, it is not unlikely [...]

The whole question of the One Big Union is one over which labour in Western Canada will probably split. The unions with strong international affiliations and large treasuries will hold to the orthodox past. There is reason to believe

however, that the weaker groups and those until lately unorganized together with large radical sections of the older unions will break with the A.F. of L. The question is not one merely of radicals versus conservatives. It is also international versus national, craft versus industrial unions. To hear the cause of the international unions being upheld by men who a decade ago were introducing bills in the Senate to make it criminal for the American working delegate of the international union to advise a strike is interesting if not incongruous. The aid which employers are already proffering the internationals is likely to be more embarrassing than helpful and will probably offset the advantage in some quarters resulting from a partial loss in prestige by the strike leaders through the collapse of their project. What the result will be is unpredictable. The One Big Union will probably not be all that its name would boast. But it is just as unlikely that it will die out. Prudent progress will keep the O.B.U. from Revolution. Nothing can impede the [...] toward industrial unionism.

The Winnipeg strike was an upheaval in Canadian labour indicative of the same impatient spirit in the rank and file, the same ability for self discipline, the same searching after new forms that was shown at various points in Europe and America. Canadian labour has more positive ideals, more consciousness of strength than ever before. In organization the frank aim is more power. That aim will only be dangerous as untoward conditions force it into unconstitutional lines. The Winnipeg strike is not so much a revolution as an indication that war had clogged the ordinary channels through which the solution for a great problem must come. Labour in Western Canada is now turning toward political activity which even though increasingly radical (the strong arm methods of the government have made ten extremists stand where one stood before) will bring discipline and education to the workers and progress to whole community. With leadership which will frankly promote rapid progress in solution of the many problems of the day, Canada will [face] many difficulties but no insuperable ones in meeting new situations.



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