



A VOLATILE Economy AND AN Expectation THAT GOVERNMENT COULD DO IT ALL

“No Unemployment Crisis?” asked the headline in the *Toronto Daily Star*. “Signs are that at the bottom of the employment cycle this winter there will be 600,000 or more jobless. What is this, if not a national emergency?”

As it turned out, a national emergency it was not. But unemployment had scarcely been worth a newspaper’s attention for twenty years or more and now, in 1960, it was cropping up on editorial pages. “The puzzling and disappointing attitude of the Diefenbaker administration toward the unemployment situation thus far has been uninspired,” is the way *The Ottawa Citizen* put it. “No one expects Mr. Diefenbaker to eliminate unemployment. But Canadians have a right to expect leadership and action on the unemployment issue, rather than the ‘let’s hope it goes away’ attitude that has been a characteristic of this government.”

There had been about seven recessions since the century began, the most devastating, of course, the Great Depression. And every time the economy faltered, whatever the issues of the moment, the attentions of government, the media and society at large were drawn anew to the plight of the unemployed.

In 1961, the unemployment index hit a postwar high of 7.1 percent and anxiety rippled across the country. The jobless numbers had been climbing since 1959 and the layoffs occurring throughout the industrial sector made it clear that the long-playing record of post-war growth was beginning to show some cracks.

Already beleaguered by federal-provincial relations, issues of Quebec representation and nuclear defense, the Diefenbaker government was under intense pressure to do something about the growing numbers of unemployed.

The winter works programs introduced in 1957 were continued and expanded. Restrictions on immigration, implemented at the same time, were extended as well.

“Is unemployment here to stay?”

Something in the nature of unemployment appeared to be changing and among the factors contributing to this were the very programs the federal government had charged with providing a solution.

Such, at least, was the hypothesis put forward in an influential magazine article, published in 1959 just as the economy was recovering from one recession and about to head into another. Written by Blair Fraser, a respected *Maclean's* magazine editor, the article questioned the government's ability to uphold its post-war commitment to “high and stable employment and income.”

In what seems to have been the first comment of its kind in the popular press, Fraser pointed a finger at government interventions and, in particular, unemployment insurance. It had a negative impact on the functioning of the labour market, he said. “Is Unemployment Here to Stay?” the article asked. And the simple answer, in Fraser's view, appeared to be yes.

Quoting unnamed “government economists,” Fraser made the case that Ottawa's employment and income policy had worked fairly well until recently, but the high levels of both inflation and unemployment witnessed during the recession of 1957-58 were something new. “They think that in good times or bad we shall have more unemployment than we've been used to having,” he wrote, “and enough to make it a serious national problem.”

“Abuses” of unemployment insurance were at the heart of Fraser's critique, abuses and the attitudes that led to them. Some workers welcomed unemployment as “UI-paid vacations,” he said. “Fishermen who were paid for winter months when they would not normally have worked, workers who would only take a job if it was in their own trade and their own town.” It was of little importance whether or not such “abuses” could be justified. By upping the cost of the UI program and slowing down placements, they were inhibiting the capacity of the economy to adapt to changing conditions.

“Structural unemployment” was the name given to this new phenomenon in a report from the Special Senate Committee on Manpower and Employment that was submitted in 1961. Slower economic growth during a recessionary period certainly had contributed to the growing numbers of jobless, the report said. Other factors such as sectoral layoffs and declining exports had had an effect, as well.

Still, the committee noted, these concerns could not account for the entire problem: “The post-war era has been a period of accelerating technological progress, of rapid innovation, of revolutionary improvements in labour-saving devices, and of pronounced shifts in the growth of con-

sumer demand. These far-ranging changes have necessitated a general upgrading in human skills, large-scale movements between occupations, and a high degree of mobility of labour between industries and between geographical areas. The economy and its manpower have failed to adjust to these basic developments on a sufficient scale or with sufficient speed.”

Fitting the man to the job was getting more complicated all the time.

Manpower utilization vs. human resource development

In 1963, however, the economy resumed its growth and the woes of the workforce began to subside but not soon enough to turn the tide of growing disillusionment in the Diefenbaker government’s lackluster management of the economy. Although a strong orator with pockets of intense popular support, Diefenbaker proved to be an indecisive leader and struggled to preside over a fractured caucus. In the election that followed, the Tories’ fate was sealed.

For the Liberals, it was a modest victory at best, resulting in a minority government. In rejecting the Conservatives, Canadians had voted, above all else, for prosperity. Ironically, as Prime Minister Lester B. Pearson took office, the economy was already on the mend.

As the economy returned to health, most of the unemployed returned to work and the unemployment index dropped back down below 4 percent. Concerns about structural unemployment did not go away, however. Echoing a Royal Commission a few years earlier on Canada’s Economic Prospects, these concerns surfaced in the press: “A skill squeeze has caught up with Canada,” was how *The Financial Post* put it in a feature article on November 7, 1964. “Jobs are available now,” it went on, “but the men are not and shortages are reported through the skill scale from tradesmen to professionals.”

Business was suffering, according to corporate employers who complained that they couldn’t find the skilled workers they needed. “Good jobs are going begging, but the unemployed can’t fill them,” the article said, citing estimates that only 7 percent of the Canadian workforce had secondary schooling or better. Over 40 percent, according to the same estimates, had not even finished primary school.

Most needed were workers with technical skills, people able to work as machinists, toolmakers, mechanics and repairmen. Service skills were in demand, as well, the article said, in sales and clerical positions.

In the 1960s, shortages of skilled workers and workers willing to accept low skilled jobs led to the gradual removal of race restrictions that had always been part of Canada’s immigration policy. Resentment grew from the perception that immigrants took jobs that Canadian-born job seekers lacked qualifications to fill. Closer to the root of the problem was the fact that public policies created few training programs in emerging occupations and Canadians were given too little information about the programs that did exist. There was also the tricky problem of enticing high school graduates to consider further education when high-paying jobs in manufacturing, construction and resource extraction were available to them.

Governments, it was widely believed, had a social responsibility, even a moral obligation, to provide some form of assistance to Canadians who found themselves at a disadvantage in the workplace. Since the Second World War, in fact, the federal government had been playing an increasingly important supporting role in a common federal-provincial-territorial objective of human resource development.

The Gordon Commission in 1957 had highlighted the growing concerns over workplace skills and forecasted the shortages that were now beginning to appear, proposing as a remedy the expansion of existing secondary technical and vocational schools and the development of new ones. It had argued as well for more post-secondary schools with continuing education programs for part-time study, recognizing that adults as well as young people would be customers for such services.

The Diefenbaker government had taken the report seriously and, despite heated exchanges in the House of Commons, the legislation that would revolutionize the country's post-secondary training system had passed unanimously in December of 1960.

The Technical and Vocational Training Assistance Act covered nine different programs, representing a complex mix of training directives and incentives that became program development streams. Curricula and programming were developed to address the training needs of unemployed adults, students, people with disabilities, members of the armed forces and people needing to upgrade their skills in order to move ahead in their careers.

Massive amounts of money were allocated to shared cost agreements between Ottawa and the provinces. By 1965, the federal government's commitments amounted to roughly \$470 million, creating over one hundred thousand "training spaces."

Education without adequate guidance

Throughout these years, in ever increasing numbers, the baby boom continued its advance. For the field of education it was a sea change, as wave after wave of young people poured into Canada's high schools, heavily influenced by a new generation of parents who believed that higher education would pave the way to more satisfying employment and future success.

School and college building activity across the country became so intense that every day during 1962 and 1963 a new school opened somewhere in the country. New opportunities also opened up for teachers, professors, instructors...and for counsellors. By the middle of the decade, more than a million young people were little more than a year away from the day when most of them would begin knocking on doors throughout the industrialized workplace.

Programs to help young people manage the school-to-work transition had challenged Frank Parsons in the early days of the century when he first articulated a definition of vocational guidance. It was the same challenge Morgan Parmenter had taken on in the 1940s, when he created the Vocational Guidance Centre and began teaching guidance at the Ontario College of Education.

Thanks in large part to the efforts of a far-sighted few—Parmenter

in particular and his successor, Carl Bedal—a certain amount of guidance training, materials and other information had been made available to Canadian teachers. Since 1945, Parmenter's journal, *Guidance & Counselling*, had been distributed widely.

As the '60s advanced, however, life and work grew more complicated making effective guidance counselling even more important. Nonetheless, as indicated in a survey of Canadian schools in the '60s, the guidance services offered were for the most part woefully inadequate, especially when it came to helping young people make work and career decisions.

In part, it was a simple problem of workload and available time. According to Parmenter, a ratio of two hundred students to one guidance teacher could be considered reasonable. In practice, however, the ratio was often more like six hundred to one. In some schools, a single guidance teacher might be expected to deal with the needs of as many as eight hundred students.

Beyond concerns of numbers, there was also the question of expertise. Few teachers, it seemed, had had the benefit of experience beyond the world of academia and had little exposure to the broader world of work. Guidance in general, and career or vocational guidance in particular, was generally held in lower esteem than other teaching duties and often passed to the youngest and least experienced teachers. Nor were there many educational opportunities for those interested in this specialized area of education. In many Canadian provinces it was not even a requirement that guidance teachers have specific training.

For all the attention it paid to one essential need—fundamental knowledge of academic and vocational skills—the educational system was neglecting another—the need for direction in the workplace where these academic and vocational skills would most commonly be applied. What was necessary, clearly, were comprehensive policies, improved procedures and more training of teachers. Few were more vocal in making this case than Frank Lawson and Gerald Cosgrave.

“Counselling for teenagers and adults would not be so greatly necessary if better trained teachers were available in the elementary school system,” Lawson wrote at the time. Emphasizing the widespread failure of universities to establish programs in counselling psychology, the chairman of the Toronto YMCA Counselling Service noted that, “many of our counselling psychologists in recent years have had to be imported, which is certainly a reflection on all of our university psychology departments.”¹

Deeply concerned about the lack of counselling available to young people to plan their working lives, Lawson strongly supported an Ontario Select Committee Report which called for “cradle to grave” counselling and argued that, “the importance of vocational guidance is increasing at every level in our educational and training system.”²

“We’re encouraging an appalling waste of manpower,” Lawson said. “About 75 percent of high school youngsters don’t know what they want in life and many end up in university who shouldn’t be there at all.”

In its attempts to take up some of the slack, the Toronto YMCA Counselling Service was providing counselling for some seven to eight hundred clients a year and turning away another two for every person they saw. “Organizations such as ours are providing emergency services,” Gerald Cosgrave pointed out. “Schools should be providing regular

psychological testing and counselling from the elementary level right up through technical colleges and universities.”

In 1965, Lawson persuaded Gerald Cosgrave to join The Counselling Foundation of Canada as Director of Counselling (CFC), to support his campaign to convince university presidents and planners to establish programs in counselling psychology.

Draft dodgers and the dawn of the communications age

University presidents and planners had plenty on their own agendas, of course. The '60s were hectic years on campuses throughout North America, as radical groups of protesting students challenged social values on everything from civil rights to the Vietnam War.

Canada became a haven for Americans fleeing the draft and the images of dissent and “flower power” in Berkeley and Haight-Ashbury found their way north of the border as well. A very different generation was beginning to emerge and the differences were becoming more acute as the new generation gained university age.

This was the dawn of the Age of Communications and the pace of change was ratcheted up another notch by the expansion of telecommunications. Vast networks of connectivity were being formed and, in a very few years, all parts of the world would be linked by telephones, satellites and computers.

It was the start of the Television Age and the Canadian Broadcasting Corporation had the

longest network in the world. The Alouette communications satellite was launched in 1962, making Canada the third nation in space. The globe had become a village and University of Toronto communications guru Marshall McLuhan alerted the world to the message in the medium.

The country's automotive industry, centred in Ontario, sent out multiple shoots, reshaping the industrial heartland. General Motors was building its one hundred millionth car and Alberta's oil patch was on a roll. And in Montreal, there was a construction boom as Quebec prepared for Expo '67.

With manufacturing in full swing, jobs were plentiful and Canadians were more optimistic. Spurred by the renewed flush of prosperity, shoppers began to expect a full range of products on store shelves and con-



Associated Press Photo

During the 1960s and '70s, Canada saw an influx of American young people, who like their Canadian counterparts, formed a new generation of “seekers” of jobs and a better world.

sumerism emerged as a powerful economic engine. While many of the products in demand were imported, some originated in Canada, providing jobs in the factories where they were manufactured.

Indeed, as the service sector grew, a very different set of needs began to dominate employers' conceptions of the ideal employee. There were fewer entry-level, low-skilled, machine-oriented jobs available and more sales and clerical positions were in need of workers. Despite evidence of the future importance of service sector employment, however, only 1 per cent of students was enrolled in training for service occupations.

An active manpower policy

Throughout these years, the expansion of government services contributed significantly to the growth of the service economy. Since the Great Depression, in slow, incremental ways, governments, both federal and provincial, had become more involved in the fabric of Canadian life.

Jurisdictional concerns complicated matters, as always. However, "there was a clear public demand for a 'Canadian' approach to problems," writes veteran pollster Angus Reid. And because the provinces welcomed federal funding, many overlapping programs were developed.

"There were plans to encourage investment in Canadian stocks," Reid continues, "to discourage foreign ownership, to encourage Canadian culture, to encourage investment in the Atlantic provinces, to discourage pollution of the Great Lakes, to encourage participation in sports, to discourage smoking, to encourage cross-cultural exchanges with Quebec, to discourage hateful attitudes toward minority ethnic groups, to encourage the development of nations on the other side of the world. Everywhere you looked, it seemed, another government department had drafted another ambitious program."³

Of course, as Reid points out, "all these plans required platoons of bureaucrats to implement them." The opportunities seemed limitless.

A new sense of mission fueled the partnership between Canadians and their governments, a revival of the "can do" attitude that had brought Canada through the Depression and the war. Now Canadians had the money to do it. "This was the decade of universal medicare. Workers were given a new sense of security in the form of the Canada Pension Plan. There were social assistance programs, low-interest loans for students in post-secondary education, low-cost housing programs. And for rural or depressed communities in poorer regions, there was money to develop local resources and create opportunities."⁴

Government was also far more involved in the labour market. Employment policies and programs were implemented. Adjustment programs were initiated for displaced workers. Grants and loans were made available to workers who had to move to find employment.

Several hundred new employees were hired to work as Manpower Counsellors, many of them recent university graduates in the social sciences. "Their task was to help people, whether unemployed or unsatisfactorily employed, to obtain the employment that was likely to maximize their lifetime earnings," according to Tom Kent, the deputy minister at the time. Although matching workers with employers—job placement—

remained their primary goal, “this required much more than information about the existing employment opportunities in the area. It required counselling skills. It required understanding of the abilities and experience needed for various occupations.”

Such sentiments notwithstanding, more than a decade would pass before government counsellors such as these would be specifically trained in counselling techniques.

¹ Correspondence with *Globe and Mail* reporter Barry Zwicker, October 28, 1966.

² “Vocational Counseling Becoming Lifetime Aid” – *Financial Post*, July 13, 1963.

³ Angus Reid, “Shakedown: How the New Economy is Changing our Lives.”

⁴ Alvin Finkel and Margaret Conrad, *History of the Canadian Peoples* (Don Mills: Pearson Education).