ENTERING THE POSTINDUSTRIAL SOCIETY:
THE CANADIAN CASE

Alexander J. MATEJKO

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University of Alberta, Edmonton, Canada
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Summary

The Canadian federation is based on the substantial autonomy of the provinces constituting it, the welfare orientation of central bodies, the volunteer activities at the grass-root level, and the external policy open to the world. There are no any doubts about the genuinely democratic character of Canadian internal politics or the commitment of Canadians to the world peace. The economic prosperity of the country is secured by the mineral resources, good agriculture, and the intensive foreign trade. Services are developed even more than in West Europe; there is much public commitment to the general welfare. On the other hand, Canada has her problems: too much unemployment (particularly among the youth), the economic dependence on the 'big brother', underdevelopment of domestic industry, internal markets being too narrow for the local production, the high energy and transportation costs, the industrial relations system too much vulnerable to tensions and conflicts, national and cultural identity not strong enough, internal differentiation of the society opening room for dissatisfaction and the feeling of social injustice. The country is exposed to the disintegrative tendencies not strong enough to destroy it but definitely present and providing a good reason to worry about.

Canada is among the countries particularly close to the developmental stage of a post-industrial society. The basic question is in this respect how to secure a meaningful life for the large number of people whose only chance is to succeed in services. With the fast progressing sophistication of the third sector activities much depends on the educational background, the level of skills, the entrepreneurial spirit, and the ability to cooperate with others. The major public investments in health, education and social welfare may be beneficial in the long run only if quality will count more than quantity. A genuine democratization means not so much the equality of rights but primarily the multiplication of social wealth intensive enough to satisfy all basic human needs and aspirations.

This paper provides the analysis of the Canadian society in terms of its readiness to face the post-industrial challenges. This is the continuation of the studies done by the author before on the same subject within his general interest in the comparative societies (see *Comparative Work Structures*, and *The Self Defeating Organization*, both published by Praeger in 1986).
Zusammenfassung


Introduction

The Canadian society has several characteristics which make it quite unique in comparison with most other societies (Canada 1986). As may be seen on Table 1, the population density is much lower than in the rest of the Western World. The concentration of inhabitants in the big cities is particularly high even if 40 % of people still live outside of the urban areas with the population of 50,000 or more. The GDP per capita is almost as high as in the US and its real growth is slightly higher than in other comparable countries. Foreign trade mostly with the US, plays a substantial role. The share of public sector has grown substantially but it remains below the West European level. This growth has happened on the expense of the public debt. Industry remains limited in size and there are obvious troubles with the creation of adequate jobs even if the employment growth is better than in the other comparable countries; in the period 1960-82 total employment among the population 15-64 years old has grown from 59 % to 64 % but the unemployment has grown from 6 % to 11 % (Historical 1984: 38,39). The real wages of Canadians during the first half of 1980s remained at the same level; the interest rate and the inflation rate are in Canada less favorable than in Western Europe but the private consumption level is higher.

The 3 % annual employment growth in Canada, much higher than the 0.5 % growth in EEC or even the total OECD (in Austria 0.2 %) is already enough to become interested in that country. The 10 % unemployment rate (4 % average in the period 1960 - 82) is only a little below the EEC level (11.5 %) and remains one of the major problems of the country, especially acute among the young generation (16.5 % of the youth unemployment in 1985 and a little less in 1986). The danger of more unemployment and the social dissatisfaction related to it inspire the Canadian authorities to make their best in the job creation even if the public sector itself diminishes to play an active role in this respect in the period 1973 - 83 from all newly employed service people 23 % entered the public sector.

In order to understand better the Canadian employment scene it is worth to look into the society as a whole: the economic basis, the demographic and
ethnic structure, regional differentiation, the state of the living and working conditions, trade unions. The image of Canada as a society which has jumped from underdevelopment to the level of a postindustrial society is presented in this paper. It may serve as an introduction to a more detailed study of the rich literature on the Canadian society.

**Between Underdevelopment and Postindustrialism**

The gap between the Quebecois and the anglophones in Canada is only one of the recurring problems of the country which in many respects is still one of the best off in the world. Canadian society has remained relatively rich even if the real annual GNP growth has declined from 5.6% in the period 1960 - 73 to 4% now. Canada is still a semiperipheral country dependent on the U.S. economically as well as culturally (Mardsen & Harvey 1979:225). This is particular evident in the control of Canadian market exercised by the foreign owned bis corporations \(^1\) (Marchak 1979) but also in the difficulties to establish a clear collective awareness and an unequivocal national identity.

Only five percent of Canada's land is appropriate for commercial crops (20% percent in the U.S) but more of the country's foreign exchange comes from agriculture. More than the seventy percent of the population live on around 0.1 percent of Canada's land. Over ninety percent of the population is urbanized (urban population plus the rural non-farm population) but there is still a vivid farming and pioneering tradition and people who epitomize it, have become some kind of national heroes. The English and French mother tongue Canadians constitute nine-tenths of the whole population, and the immigration to Canada is in general in decline (it has diminished per 1,000 population by over a half since the 1950s); at the same time there is an evident revival of the multicultural interests and concerns not only among the nonstatutory ethnic groups but also in the whole society. The attendance at church services has been diminishing for several years (not only among Protestants but also among Catholics) but only one-tenth of Canadians in comparison with one-fifth in the Benelux countries, the UK and France think that the religious beliefs are not at all important for them (Social Indicators 1977:555).
These few above mentioned contradictions show some of many complications which have to be taken into consideration when dealing with present day Canada as a modern society located in a vast territory of growing attractiveness (minerals and renewable resources, strategic opportunities, etc.) for several world powers.

Canada plays an active international role and her multiethnic content may be in this respect even an important asset but there is a need to reinforce adequately the collective consciousness of Canadians regarding their world place as well as world responsibility. The semi-peripheral status of Canada remains still a burden of the colonial past and there is a growing awareness among Canadians, especially the young generation, that the provincial and ethnic parochialisms endanger the country not less than the undeveloped economic structure, dependence on foreign capital, and heavy unemployment.

The Quebec nationalism has forced the whole Canadian population to think over the issue of national unity. Even more important seem to be in this respect the economic issues of Canada. The collective consciousness of the present day Canadians is shaped very much by these hard facts.

**Entering Free Trade with the U.S.**

In order to continue to grow in her wellbeing, Canada probably must to open its economy further (The Economist Survey, 1986, 15 Feb.: 5). It is the question how to benefit from being a neighbour of the world's most powerful economy without being absorbed by it (Ibid., p. 6). The Canadian unemployment was 9.1% in the period 1976 - 85 and the industrial capacity of the country remains underutilized (in 1986 it has improved to the level of 86%). The federal budget deficit remains high (6.5% of GNP in 1985), interest payments absorb one third of federal revenues, and the manufactured exports do not develop intensively enough. Canada is a "lopsided federation" (Ontario and Quebec have most wealth[3] and 60% of the seats in the parliament). The provincial governments on average depend in 20% on the federal government (Alberta 9% but the Atlantic provinces 40 - 47%). Spending of the federal government
which flows to the provinces is 20% and still rising. The federal government
debt has the tendency to grow further: 75 percent of GNP projected for the
early 1990s but only 15 percent in 1975 and 45 percent in 1985.

Wellbeing of Canada depends much on the U.S. as a client and an investor.
During the first half of the 1980s the real value of exports to the U.S. has
doubled (imports from the U.S. have also grown, but much slower) when the
exports to other countries have remained on the same level. In the Canadian
exports during the period 1960—85 the manufactured end products have grown
from less than 10% to over 40% and crude materials have diminished. With
exports constituting 31% of the GNP (1985), Canada has to bother especially
with the U.S. where around 80% of Canadian exports are located (three
quarters of Canada's manufactured goods).

In the period 1974—82 Canadian ownership of capital employed has grown from
43% to 51% in manufacturing, from 25% to 55% in petroleum and natural gas
and from 42% to 57% in mining and smelting. However, Canada needs foreign
investments as well as the lower outflow of native capital abroad. Abolishment
of tariffs is much in interest of the West and the Atlantic provinces but not in
the short term interest of Ontario rich on manufacturing. Public sector
constitutes in Canada 40% of the total economic activity; output per hour in
manufacturing remains higher than in the U.K. but is lower than in the U.S. or
in Japan; the unit labour cost is lower than in the U.K. but higher than in the
U.S. or in Japan.

The cultural dependence of Canada on the U.S. is damaging to the Canadian
identification. In book sales only one-fourth are local books. Most of the film
distribution are the U.S. films. In the TV viewing time in English only news,
sports and public affairs are actually Canadian; drama (35 percent of time),
variety (almost 15 percent of time) and films (12 percent of time) are almost
entirely foreign (predominantly U.S.). Total foreign viewing represents 71
percent (32 percent in the French language TV). Without a clear Canadian
cultural identity it is a almost impossible to maintain in the long run a real
independence. The quality of education has its role in this respect. So far this
education, especially on the postsecondary level, is too much understood just
only in as the means to better life in material sense and not enough as a suitable vehicle of self-growth within the Canadian framework. In order to enter foreign markets outside the U.S there would be a major need to expand the occupational training of Canadians. For example, in several fields there is a substantial shortage of skilled blue collar workers and technicians.

Free trade with the U.S. will mean a better chance of Canadian products entering the large American market and gaining advantage of the large scale production. However, in order to gain out of it is necessary to utilize very effectively all production means, have a skilled personnel under disposal, show a high managerial sophistication, be able to obtain financing on the competitive conditions, know well the markets, etc. The question is whether Canada is really prepared for such an adventure. On the other hand, it is difficult to imagine any really effective defence of the Canadian dollar without much improving economy: developing manufacturing, better utilization of the energy, more intensive management training, more demanding professional and general education, better coordination of government at various levels.

The Trends of Canadian Economy

Services have gained in Canada the dominant position and it is very difficult to imagine any reverse of this trend. In comparison with several developed countries, Canada has promoted much faster her services but has remained much behind in the transformative sector (Singleman 1978:111). There is a problem has to make the Canadian industry enough competitive. "Gains in competitiveness would be all the more desirable should Canada's export prices deteriorate due to weak world demand for resource-based products" (Canada 1986:55). The capacity utilization in the Canadian manufacturing has improved in the period 1982 - 85 from 68 % to 77 %; the unit labour cost has improved, and the same has happened with the average value of manufactured exports (Main 1986:32). In the period 1982 - 85 the labour productivity was much better than in the previous few years (OECD 1986:10). "Despite improved cost competitiveness, Canada appears to have lost manufacturing market shares, thereby exacerbating the trade balance impact of both the shift in the country's
relative cyclical position and of the depressed demand for resource-based exports" (Ibid., p.123). The capacity expansion in manufacturing is badly needed; however, the Canadian manufacturing meets on the internal and external markets a very effective competition.

In Canada the energy consumption is twice as high per person as in West Germany. Over half of the energy comes from oil. Due to the depreciation of the Canadian dollar (since the late 1970s) exports have grown more quickly and imports have grown more slowly. In the period 1978-83 the ratio of exports to imports has grown from +106 to +120 (Canada 1985: 689). In the period 1981-85 exports of goods have grown 6 % per year and imports of goods have grown 5 % per year; the balance of payments was -1.4 billion US $ (Canada 1986: 73). In the imports inedible end products constitute 64 percent but only 38 percent in the exports. The U.S. in 1985 constituted 72 percent of commodity import and 79 percent of commodity export (Ibid., p.5).

The wellbeing of Canadians depends to a large extent on export equal to 32 percent of the GDP (1985), more than for instance in West Germany (30 % of GDP in exports). In comparison with West Germany, export of goods per capita is worth in Canada approximately the same; the energy consumption in tons of oil equivalent is twice as high.

The relative competitive power of Canada on the world markets is a crucial factor in the welfare of the total population. The Canadian foreign trade is too much localized within the limits of the North American continent. In Benelux, or in Scandinavia the transnational activity of indigenous corporations is in both cases ten times higher than in Canada (Drouin and Bruce-Briggs 1978:25). In 1985 the main Canadian exports were motor vehicles and parts 28 %, other manufactured goods 35 %, non-ferrous metals and alloys 5 %, newsprint 4.5 %, lumber 4 % wheat 3 %, wood pulp 3 %. Main Canadian imports were motor vehicles and parts 31 %, producers' equipment 27 %, industrial materials 17 %, consumer goods 10 %. Canada is importing more manufactured goods per person than any other major nation: twice the European average and four times the U.S. average. It is not surprising that the domestic manufacturing industry suffers. Among other things, the sales of "Made-in-Canada" colour TV sets have diminished by three quarters during the 1970s.
<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Year</th>
<th>Canada</th>
<th>Austria</th>
<th>USA</th>
<th>West Germany</th>
<th>France, Italy, U.K.</th>
<th>Japan</th>
</tr>
</thead>
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<tr>
<td>population</td>
<td>millions</td>
<td>1985</td>
<td>25</td>
<td>8</td>
<td>239</td>
<td>230</td>
<td>121</td>
<td></td>
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<tr>
<td>populational increase</td>
<td>% per year</td>
<td>1975-85</td>
<td>1.1</td>
<td>0</td>
<td>0.1</td>
<td>0.2</td>
<td>0.8</td>
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<tr>
<td>density</td>
<td>inhabitants per sq km</td>
<td>1985</td>
<td>3</td>
<td>90</td>
<td>26</td>
<td>192</td>
<td>324</td>
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<td>concentration of the population</td>
<td>% of population in 3 largest cities</td>
<td>1980</td>
<td>29</td>
<td>26</td>
<td>10</td>
<td>17</td>
<td>11</td>
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<tr>
<td>GDP</td>
<td>thousands of US $ per capita</td>
<td>1984</td>
<td>15.1</td>
<td>11.3</td>
<td>15.4</td>
<td>11.8</td>
<td>12.2</td>
<td></td>
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<tr>
<td>GDP/GNP real growth</td>
<td>%</td>
<td>1986</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
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<tr>
<td>development assistance</td>
<td>% of GNP</td>
<td>1984</td>
<td>0.5</td>
<td>0.3</td>
<td>0.2</td>
<td>0.5</td>
<td>0.3</td>
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<tr>
<td>trade balance</td>
<td>billion US $</td>
<td>1986</td>
<td>-5</td>
<td>0.5</td>
<td>-132</td>
<td>44</td>
<td>76</td>
<td></td>
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<tr>
<td>exports</td>
<td>% of GDP</td>
<td>1985</td>
<td>26</td>
<td>27</td>
<td>6</td>
<td>24</td>
<td>6</td>
<td></td>
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<tr>
<td>imports</td>
<td>% of GDP</td>
<td>1985</td>
<td>23</td>
<td>32</td>
<td>9</td>
<td>25</td>
<td>10</td>
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<tr>
<td>interest rate</td>
<td>long term in %</td>
<td>1986</td>
<td>9.7</td>
<td>8.8</td>
<td>8.8</td>
<td>0.8</td>
<td>5.6</td>
<td></td>
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<tr>
<td>inflation</td>
<td>%</td>
<td>1986</td>
<td>3.5</td>
<td>1.5</td>
<td>2.7</td>
<td>2.7</td>
<td>0.5</td>
<td></td>
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<tr>
<td>gross savings ratio</td>
<td>% of GDP</td>
<td>1984</td>
<td>19</td>
<td>24</td>
<td>17</td>
<td>19</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>public debt</td>
<td>% of GDP/GNP</td>
<td>1974</td>
<td>5</td>
<td>10</td>
<td>40</td>
<td>40(2)</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>share of government</td>
<td>current disbursements in % of GDP</td>
<td>1985</td>
<td>35</td>
<td>45</td>
<td>46</td>
<td>43(2)</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>employment in industry</td>
<td>%</td>
<td>1985</td>
<td>25</td>
<td>38</td>
<td>28</td>
<td>35</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>employment in services</td>
<td>%</td>
<td>1985</td>
<td>69</td>
<td>52</td>
<td>69</td>
<td>58</td>
<td>56</td>
<td></td>
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<tr>
<td>employment growth</td>
<td>%</td>
<td>1986</td>
<td>3</td>
<td>0.3</td>
<td>2</td>
<td>0.5</td>
<td>0.5</td>
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<tr>
<td>unemployment</td>
<td>%</td>
<td>1986</td>
<td>10</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>3</td>
<td></td>
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<tr>
<td>private consumption</td>
<td>thousands of US $ per capita</td>
<td>1984</td>
<td>8.5</td>
<td>6.5</td>
<td>10.2</td>
<td>7.0</td>
<td>6.7</td>
<td></td>
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<tr>
<td>growth of wages versus the consumer prices</td>
<td>%</td>
<td>1980-85</td>
<td>-0.2</td>
<td>+0.8</td>
<td>0</td>
<td>+2.2</td>
<td>+1.9</td>
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1) Data for 1986 are the OECD estimate
2) Italy excluded. In Italy the growth was from 60% to almost 100%
3) unweighted average
4) 1983
In the Canadian economic policy there has been for long time a problem what would be better to do: develop even closer ties with the US (free trade issue) or to resist any commitment which would limit the freedom of Canada to pursue her own destiny.8 There is a growing tendency of the Canadian establishment to expect some help from the freer trade with the US, more US investments into the Canadian energy projects, etc. On the other hand, the corporate power is predominantly on the US side and this limits very much the ability of Canada to secure for herself an adequate share of the trade and investment gains. The deficit on automotive trade is the best example in this respect.

Another big problem is the dependence of Canada on the U.S. research and development. This particular field needs a concentrated effort; the individual initiative plays a diminishing role even if there are some important disfunctions of a centrally administrated research and development. On the other hand, research and development have in several fields the decisive role in improving the standard of living. It would be just impossible to raise the quality of life without creating the modern scientific basis of it. Canada in the long run makes a bad deal not sponsoring vigorously enough her own pure and applied research.

Present day Canada is far from being a country of farmers and small businessmen even when the number of small business remains still quite substantial. Over 90 percent of all gainfully employed people are paid workers; the share of self-employed has dropped in the period 1957–1976 from 17 percent to 9 percent. Big complex organizations dominate the market: in motor vehicles, iron and steel mills, petroleum refining, smelting and refining, electric wire and cable, distilleries and tobacco products—over two-thirds of the production value are accounted for by four leading enterprises, and this means a high industrial concentration. For several years the public sector has been the major supplier of new jobs for Canadians.9 The Canadian society remains as a free enterprise economy but the role of the public sector has grown substantially.10 About 15 percent of total corporate assets are publicly owned (see table 2). There is a problem how to limit the governmental transfers,11 make more rentable federal entities (railways, telephones, petrol retailing, aircraft manufacture, atomic energy) provincial enterprises (electric utilities, natural resource exploitation, banking, and railways) and the local government enter-
Table 2: The Scope of Publicly Owned Economy in Various Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Postal</th>
<th>Telecommunications</th>
<th>Electricity</th>
<th>Oil Production</th>
<th>Coal</th>
<th>Railways</th>
<th>Airlines</th>
<th>Motor Industry</th>
<th>Shipbuilding</th>
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<td>Australia</td>
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Source: Canada 1986: 41
prises (utility services, urban transportation). The government annual net lending in percent of GNP/GDP has grown from below 1% in the 1960s and the early 1970s to 6% in the 1980s - below the level of Italy (14% in 1985) but much above the level of other western countries. The net public debt of Canada (37% of GDP in 1985) is lower than in Italy (97%) and in the U.K. (close to 50%) but high enough to influence negatively the economy.

The great role of international corporations in the Canadian economy is a matter of debate and worry. Foreign capital controls two-thirds of the large companies in manufacturing, mining and forestry, and there is a strong feeling about it among many Canadians.\textsuperscript{12} At the same time, Canadian savings escape abroad instead of being invested at home, and local manufacturing is neglected.\textsuperscript{13} In the period from 1965 to 1975, Canada spent 22 percent of its GNP on fixed capital investment in comparison with 33 percent in Japan, 25 percent respectively in France and Germany, and 18 percent in the United States.

In order to develop the economy and meet tough international competition it is necessary to promote the productivity. In the Canadian economy which depends so much on the tertiary sector, most of the output growth was achieved during the 1970s by the employment of additional people (70 percent in the period 1970-1974), and the rest through productivity gains. The drop in fertility rates since the middle 1960s has diminished in the long run the growth of the labour force.

There is in Canada an evident growth of discrepancy between the productivity and compensation, the latter constituting around three-quarters of the national income. From the 1950s until the 1970s the income per worker in Canada grew much faster than the actual output and that contributed to inflation (Economic Council 1975: 39-40).\textsuperscript{14}

The Canadian society is rich on the world scale but there is an growing question of how much in the long run the potential and actual wealth of the country will be allowed to maintain or even develop the high standard of living. In addition there are differences in the standard of living between various parts of Canada. Several governmental services seem to be quite expensive and their productivity is questionable. For example, in the period from 1940s to 1976 the
number of Canadians per one full-time postal worker has diminished from 800 to 450 but it does not necessarily mean that the postal services have adequately improved.

Canadians share with the remaining Western world the advantages of the fast historical growth of material wellbeing but also face its socio-moral costs characteristic for the developed market society overburdened with the social welfare services and in addition reaching its limits of growth. There is an open question of how much the existing superstructure of this society is able and willing to redirect Canadians to the model of a conserver society, this means against the prevailing historical trends towards a consumer society firmly anchored in the socio-economic practice, as well as in people's mentality.

The federal government definitely is on the losing side within the public sector dominated more and more by the provincial power centres. The lobbies representing various pressure groups of a local or an international character push for a better deal having in mind only their own interests.

**How Really Well-to-Do Are Canadians?**

The standard of living in Canada is high in several dimensions. The share of food expenditure in the total family budget is a reliable indicator of social wellbeing because this expenditure remains relatively stable with the growth of family income. Already in the 1970s Canadians spent only fifteen percent on food and non-alcoholic beverages, two percent on tabacco, and approximately three and a half percent on alcoholic beverages. Together on all these three items Canadians spend less than people respectively in Scandinavia, Holland, West Germany and the U.K., as well as much less than in Italy and in the richest among the East European countries.15)

The personal expenditure on food, tobacco and alcoholic beverages has declined in Canada during the 1960s and the 1970s from twenty-five percent to twenty percent, while at the same time the share of expenditure on recreation, entertainment, education and cultural services has doubled and now is the same
in Canada as in the U.S. Canadians spend 10 percent of their incomes on leisure-time goods and services. The consumption of alcohol is growing and the cigarette smoking has diminished a little, but only among the males.

The standard of living in Canada is based on the high exploration of resources and energy. A baby born in Canada consumes 50 times the resources and energy of one born in Asia. The ownership of automobiles and various appliances is similar to the US standard; there has been a substantial growth of expenditure on recreation and transport in the total personal spendings of Canadians (from 19 percent in 1961 to 27 percent in 1978). Asked in 1977 about their quality of life perception, Canadians felt satisfied with their lives and with various domains of the life situation; however, health, finances, education and leisure received the lowest rating (Perspectives 1980: 278). The life satisfaction was lower among the young than among the older; Canadians were more satisfied than most West Europeans except Danish and Irish (Ibid). 

The growth of consumerism in Canada goes together with the growth of deviance and this is not surprising because the limitations of satisfaction imposed on the individuals who are constantly stimulated to have more and more conclude in mass frustration, especially among the youth. On the other hand, the mass society is an atomized body in which social bonds and socio-moral norms become relatively weak. Canada is still not at the crime scores equal to the U.S. but they have more than doubled (per 100,000 population) since the early 1960s in murder, rape, theft, etc. They are particularly high in big cities. The growth of violent and property offences is even faster among adults than among juveniles. The share of women in property crimes has grown considerably. The Canadian society is facing a difficult dilemma. On one hand, the general public and the state are vitally interested in an effective discouraging crime that leads to heavy losses, costs much in maintenance of courts, prisons, etc. On the other hand, the social devotion to an unlimited consumerism stimulates crime when the mechanisms of informal control do not function any more being destroyed by the alienative mass society.

The availability of federally or provincially funded social security programs, improvement of working conditions, Unemployment insurance and public
health care, all of them have great impact on the gradual elimination of the traditional major inequalities between various regions.\textsuperscript{19}

There are several qualifications to the Canadian wellbeing that should be mentioned. First of all Canada has remained an unequal society.\textsuperscript{20} The average real income grew since the 1960s but at the same time the social inequalities remained intact. Transfer payments and progressive taxation reduce them only to some extent.\textsuperscript{21} Secondly, the material consumption has developed in Canada partly at the expense of the long term public interest.\textsuperscript{22}

In the period 1971-83 the annual growth of employment has diminished from over 2 % to less than 1 % and the unemployment has doubled. Personal income tax constitutes 39 % of all taxes and in order to improve the financial power of the government it would be necessary to raise this tax, as well as the corporate tax (only 8 % of all federal tax in 1985). However, this is almost impossible under the conservative rule.\textsuperscript{23} The society which is not able and willing to invest into the long term developmental projects must suffer in the future some serious difficulties, and this is the current problem of Canada.

Thirdly, more people now than before are ready to work (the participation rate has grown from 57 % to 64 % in the period 1966-1983) and have necessary qualifications to contribute meaningfully to the society, but the job vacancies have diminished considerably since the middle of the 1970s and the unemployment rate in the age group 15-24 has grown quite substantially. In the period 1973-83 the Canadian labour force grew by almost 3 million, and most of the new arrivals had to find the job in services because of the very few new jobs in agriculture, decline in manufacturing, and the very limited employment in the other sectors.\textsuperscript{24} From the potential candidates to service jobs in Canada actually 66 % found them (38 % in the U.K., 29 % in FRG, and 60 % in France). The declining public service opportunities put the burden on the private service employment but the latter does not grow fast enough.

Fourthly, the existing climate of industrial relations does not assure mutual trust relationships at the workplaces. The time lost for strikes and lockouts still remains the fraction of one percent of the total working time but in 1982 5.8
million person-days were lost on strikes and lockouts (9 million in 1980 as well as in 1981); until 1985 it has diminished to 3.2 million mainly due to the jobs shortage.

Job satisfaction is fairly high among people with skilled jobs but dissatisfaction characterizes around one-fifth both semi- and unskilled blue collar workers with secondary education as well as semi- and unskilled white collar workers with university education (Perspectives 1980: 289). Job mobility in Canada in the 1970s was 20 % higher than in the U.S., 50 % higher than in France, and three times that of West Germany (People and Jobs 1976).

Fifthly, Canada suffers of the limited internal market but a considerable growth in immigration is impossible under the current conditions. There is no chance that natural increase would become the source of a substantial increase in Canada's human resources. Therefore, Canada needs more immigration of a selective nature to stimulate the economy in terms of productive forces and also in terms of growing consumption.

Sixthly, Canada consists of people who differ in their religious and ethnic backgrounds, but the imperative of a market society reduces them to consumers who strive for higher standards of living, even though Canadians already are among the most well-to-do in the world. In this respect, Canadians follow the American pattern of materialistic and individualistic competitiveness. This country is exposed to the contradictions typical of a highly developed capitalist society (Bell 1976; Matejko 1980). Badly needed is the stimulation of the socialization of people within small and intimate groups oriented positively to the vital institutions of Canadian society.

Seventhly, the substantial growth of employment in Canada may happen only as the result of a major breakthrough in economic trends and policies. The leisure- and consumption orientation has to be sacrificed for the sake of the long range investment in manufacturing and other labor-intensive fields.

Another important question is how to gain full advantage of the service branches which employ two-thirds of Canadian workers. The civil service,
education and public health establishments are particularly vulnerable to the

Canada has established a relatively luxurious school system which sometimes
seems to be far removed from industrial realities. Especially in the service
industries, work and wage conditions are not satisfactory for young people who
complete high school, and are forced by unfavorable labour market conditions
to accept low paid menial jobs which do open the attractive prospect for
promotion and self development.

Eightly, the territorial mobility of labour is limited by high transportation
costs. People with skills that remain in demand do not easily move from one
place to another. Therefore, a surplus of labour in one part of Canada is
difficult to relocate to another part. In addition, there is a growing gap between
the skills really needed on one hand, and the level of human aspirations on the
other hand.

The Socio-Economic Costs of the Welfare State

It is quite clear that the welfare state in Canada costs much. The expectations
of the people employed in the service-oriented industries are growing now
faster than before; the national economy is able to carry this burden only as
long as there is enough resources. The Canadian wellbeing is now substantially
endangered by several factors already mentioned above; Canada experiences all
difficulties of a mass society based on the dominance of service-oriented
industries. In addition, the specificities of the Canadian political system play a
major role.

This system differs much from the U.S. system or British system. The party
discipline is much higher in Canada. The Canadian centres of population
dominate politically over the rest, when the U.S. senate has a strong regional
representation. The power of an individual state in the U.S. is much lower than
the power of the Canadian province. The Canadian federal government has a
blanket taxation authority but the individual provinces have revenues from
natural resources plus additional taxes. In 1981 Alberta managed to change the federal energy policy by cutting the oil production. One government is not allowed to tax another government in Canada. Big spending power of the federal government influences public policy, for example paying a half of the cost of the post-secondary education. But in public health the federal government has managed to influence much more than in the field of post-secondary education. In the field of housing there are cleavages between the federal level and the provincial level. The regional and economic development area is another field of difficulties; there is a dilemma between moving people and investing into local projects. Now there is a general tendency to promote joint developmental projects. In agriculture the federal control is substantial. In the native affairs also there is much of federal intervention.

Since 1971 there have been many federal-provincial conferences. Behind these is the dynamics of contacts and alliances; provincial vested interests play a much more influential role than the political affiliations. In the bargaining between the provincial and the federal level duplication is an issue because there is not enough of cooperation between governments following their own interests and shaping their policies accordingly.

The governmental expenditure on health grew in the period 1960-81 from 2.4 % of GNP to 5.6 %, and the governmental share in the total health expenditure has grown from 42 % to 74 % (Canada 1985: 118). In 1980-81 7.7 % of GNP was spent on education. The governmental contribution (federal, provincial and local) in the total cost of education has remained in the period 1975-81 at the level of 92 % (4 % fees and 4 % other sources; Ibid, p.144). In the post-secondary education in 1980-81 the share of governmental funds constituted 83 % of the total expenditure (Ibid., p.151). Total social security governmental expenditures, including health, have grown in the period 1960-82 from 8 % of GNP to 16 % (20 % of the net national income). In the period 1957-82 the governmental expenditure has grown in constant dollars per capita three times in welfare and seven times in health (Ibid., p.224). Unemployment benefits more than doubled in the period 1979-82 due to the diminishing number of jobs available. Workers compensations for occupational injuries and illnesses have grown by 47 % in the period 1979-81 (Ibid., p.188).
All these data show the growing burden of the government on all its three levels. In the expenditure of provincial and territorial governments, health, education and welfare have remained during the period 1978-82 at the level of 62% of the gross general expenditure. In the federal budget the expenditure on social services has grown three and a half times in the period 1979-82 (Ibid., p.723).

"Like the other liberal democracies, Canada has pursued the political economy of the 'welfare state'. Welfare claims have been paid out of the additional national income provided by economic expansion, thus reducing the trauma of redistribution and preventing counter-attacks by the established wealth holders.

Conservative cassandras have long said that such policy would lead to tyranny and/or disaster. Yet, on the historical record, the welfare state has worked well. Unfortunately, some elements in our society lately have only considered the redistribution aspects of the welfare state and have forgotten about the restraint, responsibility, discipline, and the economic growth which made it practical. This is largely at the root of our present difficulties. The contemporary manifestations of economic unrest - growing foreign debt, a growing tax burden, inflation, the outflow of capital, high unemployment, and increasing labour militancy - all can be laid ultimately at the door of a failure to recognize the need for continued discipline and responsibility to preserve the present system. Welfare economies are more difficult to operate than laissez-faire or command economies. A welfare economy requires more discipline, a higher quality of statesmanship, a greater sense of responsibility on the part of all economic agents" (Financial Post, 15th April 1978).

There are several specific problems related to the growing role of social welfare in the Canadian society. Take for example the growing cost of health.

The health of the Canadian population in the cross-provincial perspective is uniformly good. Canada is among few countries at the top of the long life expectancy and low mortality indicators, close to Scandinavia and Great Britain, and above the U.S. Also in terms of the health professionals and adequate health facilities Canada is close to the top. In the expenditure for health in percent of GNP Canada spends almost as much as the U.S., Sweden or the Netherlands, and above one quarter more than the U.K. But while in the U.S. public funds cover only two fifths (25% in Italy, Spain and Portugal) of the health expenditure, Canadians have most of their medical costs covered. In some parts of Canada even the prescription drugs, nursing homes and home care are covered. 27)
Canada spends in actual costs three times more on health than the U.K., but England and Wales have even higher health standards than Canada. The changes in the life style at the present health level seem more important than anything else: three fifths of lives lost before the age of 70 are attributable to environmental irritants and living habits.\textsuperscript{28)

Another problem area which should be mentioned appears in the cost of unemployment that is growing with the high number of people without jobs. The Canadian \textit{unemployment insurance scheme} is characterized by the relatively high coverage, easy eligibility, and high benefits. This has such an effect that the rise in the rate of unemployment causes an increase of the transfer payments (as percent of GNP) higher than in other developed countries.\textsuperscript{29)

Canada spends on \textit{education} over double as much per pupil per year or as a percent of gross national product than the U.K., West Germany, Japan, and France. By each measure Canada devotes more money to education than the U.S. and is second only to Sweden. In enrolment Canada is on the higher level than the before mentioned countries regarding the age group 15-23.\textsuperscript{30) In Canadian universities student fees constitute only one 10\% of the operating income, excluding fees for in-residence accomodation; government grants account for 75\% of the total operating income. Only one tenth of this income is allocated to research.

Mass education has its impact on the level of aspirations in Canada.\textsuperscript{31) According to the study done by Breton, among the lower class Canadian secondary school students three-fifths wanted to attend the post-secondary schools; among the upper class students this was valid for three quarters of them. Among the lower class secondary school boys surveyed by Breton (1975: 12) 56\% aspired to high status occupations; among the upper class boys four-fifths; in smaller communities less than in the big communities.

The offspring of the more economically privileged categories of the Canadian population still enjoy the higher opportunity to gain the post-secondary education. For example, according to the study of the Ontario high school students done in the early 1970s twice as great a proportion of middle and upper class
students had entered university than among the lower class students. Relatively few persons in Canada in the occupational career escape their class of origin. Lower class students are not given the chance to meet the meritocratic definition of equal competition. There are also differences related to the ethnic background. The university education in Canada is the highest among people of Jewish and British descent but particularly low among people of Italian descent.

There is an evident mass aspiration in Canada to attend the post secondary education even if some of the candidates become discouraged because the jobs are scarce. The graduates find employment in their own fields with the evidently increasing difficulty. The job market for graduates, particularly those with "general" degrees, has weakened.

Population, enrolment and labour force trends have been similar in Canada to those in the U.S., although Canada's baby boom was relatively greater. A larger proportion of Americans attend college or university. In both countries the proportion of males attending college or university has been declining with the proportion of females increasing.\textsuperscript{32) Per capita, American schools confer one and half times as many bachelor's degrees, three times as many master's degrees and two times as many doctoral degrees as Canada.}

**Populational Changes**

The present day Canadian population is characterized by a high life expectancy (75 years), the change of the demographic balance between various age groups (fewer children, more elderly), the diminishing size of households (3.3 persons in 1981), the growing role of one person households (increased by 40 % in the period 1976-81), the relatively high rates of territorial and job mobility of the population (movers constituted in the period 1975-81 48 % of the population in whole Canada, 60 % in Alberta), as well as by changes in the family patterns (divorced population has grown by 65 % in the period 1976-81). The latter are influenced not only by the growing educational levels of women and their gainful employment but also by the relatively high standards of a society which is highly urbanized and consumer-oriented.
The decline of the population growth in Canada due to lower fertility (1.7 in comparison with 4.2 in Latin America) and also lower immigration has great consequences for the domestic market as well as for the manpower balance. The dependency rate becomes more favourable when the relative number of children declines, but at the same time in the long run any country becomes handicapped in its growth when there are not enough people in the younger age categories. In Canada the population under age 15 constitutes 22% in comparison with 38% in Latin America.

The immigrants contribute not only as a new manpower (if there is a demand for their work) but also as consumers (Thomas 1973). Canada is traditionally dependent on external human resources; until not long ago Canada delivered her own people to the U.S. Net migration constituted close to a half of the total population increase in the first decade of the 1900s and around one-fourth in the period 1950-1970. On average, half the descendants of a Canadian couple who married in 1900 are now the United States residents (Drouin 1978: 78). Post-war immigration up to 1961 constituted a third of the population increase and the half of labour force increase. In the period from 1946 to 1961, Canada succeeded in retaining 70% of the immigrants from Britain, 60% of those from the United States, and 80% from other countries. Three-quarters of the immigrants in the period 1946 to 1961 felt that they had improved their standard of living (Richmond 1967). English-speaking immigrants in Canada in the period from 1945 to 1965 tended to be recruited from skilled manual and white collar occupations (ibid.). The percentage of immigrants from Europe has declined in the period 1965 to 1975 from 75 to 40. The share of fully skilled workers among immigrants had declined from 70% to 50%. In the 1970s more Americans came to Canada than Canadians went to the United States.

Traditional fears among local Anglo-Saxons that the arrival of foreigners would undermine the unity of the country have proven unfounded:

"In spite of native fears that these immigrants would undermine middle-class patterns of life and threaten democratic political institutions, these ethnic and religious groups are among the principal defenders of the status quo" (Palmer 1972: 237).
Immigrants from the lower social classes have been very pleased with the new opportunities available to them in Canada. Experience of downward mobility in occupational status, followed by recovery or improvement of status, has led to the higher levels of satisfaction and adaptation to Canada; occupational status dislocation has been associated with the increased probability of immigrants identifying closely with Canada (Richmond 1967: 275).

In the 1970s the numerical size of immigration has diminished annually considerably, from 223,000 in 1967 to 129,000 in 1981, but the same trend has occurred with the emigration from Canada; a decline annually from 472,000 in the period 1966-1971 to 279,000 in the period 1976-81. More than a third of the new Canadian population comes from immigration and this is related to the much lower natural increase. The yearly total growth of the population in Canada has diminished from 3% per year in the 1950s to almost 2% in the 1960s and around one percent in the 1980s. There is a problem of whether or not this low growth rate will be enough in the long run to secure a promising future for the whole country. Net migration to Canada has grown considerably in the total growth of population; it constituted 14.5% in the period 1921-31 but 34% in the period 1971-76, and 24% in the period 1976-81. In comparison with the 108% ratio of natural increase to total growth in the period 1931-41, it was only 76% in the period 1978-81.

Growth of the elderly portion of the population and the deprivations suffered by the aged create problems. One fourth of old women and one tenth of the old men live alone. Three fifths live in the houses at least thirty years old. Their average income is considerably lower than the general average. The conscience of younger Canadians is troubled by the fate of old people.

The decline of population growth in Canada, due to low fertility and also low immigration, has great consequences for the domestic market as well as for the manpower balance (Economic Council of Canada 1975, 1976). The dependency rate in Canada has changed from 1.3:1 in the early 1960s to 1.4:1 in 1976 (3.0:1 in developing countries) and to 1:1 in the 1980s. In the long run the country loses its growth perspectives when there are not enough young people. 

33)
The changing life styles of present day Canadians influence the size and the role of the family as a basic social unit. Families are in general becoming smaller.\(^{34}\) In addition, the mobility of Canadians is quite high. Half of the population moved in the period 1971-1976, and in most cases crossed a municipal boundary. The mobility between various provinces involves approximately 4% of the population per year.\(^{35}\) Much mobility is a positive factor when the country experiences the economic upswing but in the recession people move from one place to another without much hope to improve their living standard.

**Social Inequalities**

Canada does not belong to the countries with a particularly high inequality of incomes (Sawyer 1976) yet this inequality is evident and quite persistent. The share of the lowest 10% of Canadian households has been from the 1950s until now 4% of the total income, while the upper 20% of households have consistently controlled over two-fifths of the total income. In the period 1969-1981 in constant (1971) dollars the average family income has grown from Can$ 9,500 to Can$ 12,850. The share of families earning below average 1981 income has declined from 75.4% to 5.1%, and the share of families earning $20,000 and over has grown from 4.9% to 14.4% (Canada 1985: 191). There are substantial income differences between various provinces. For example, up to a half of average family income have almost 30% of families in the Atlantic provinces but only 16% families in Ontario and 20% families in Prairie provinces (1981 data) (Ibid. p.192).

Income disparities substantially influence the structure of private expenditure. According to 1978 data, food represented 25% of the family budget in the lowest 20% of all families but only 14% in the highest 20% of the families (17% average among all families). The appropriate percentages for the shelter were 21.5% and 13% (16% average among all families) (Ibid., p.195).

The income tax and the transfer payments reduce to some extent these income disparities. Progressive taxation takes away only one or two percent from the
lowest income recipients whereas it absorbs about 20% of income in the
higher income brackets. According to 1978 data, personal taxes took on average
17% of family incomes: 3% in the lowest income 20% of families and 24% in
the highest income 20% of families (Ibid., p.195). The transfer payments
account for a major portion of income at the lowest income level and only for a
few percent at the higher income level.

There are the pronounced disparities of the income distribution between the
rural and the urban population as well as between the regions (Marsen & Harvey
1979: 147-156). Inhabitants of the urban areas are better off if one ignores the
local differences in the costs of living. People in the Atlantic Provinces and in
Quebec are worse off than the residents in the rest of Canada, while the people
in Alberta, Ontario and British Columbia are better off.

The income disparities between various groups of the Canadian population
aggravated during the high inflation. Even under the temporary wage and price
controls in Canada the occupational groups with strong bargaining power
managed to improve considerably base wage rates, salaries, as well as various
employee benefits. On the other hand, the occupational categories with low
bargaining power have been on the losing side.

The well-to-do people are in many respects in a more privileged position
because they own their homes (four-fifths in comparison with three-fifths of
home ownership among all Canadians), and spend relatively less on food,
transportation and housing (40% in comparison with 70% among the low
income people). Their assets are in real estate, commercial assets, shares, bank
deposits, etc. According to the estimate of the Economic Council of Canada,,
inflation has financially helped "the relatively young middle-and-upper-middle-
class people who had purchased homes prior to, or at the beginning of the
period" of inflation (Economic 1976:23). The losers "have been the poorest and
oldest groups, and those among the very rich who held large amounts of
financial assets" (Ibid.).

Not only in Canada but also in several other developed countries there are
pockets of poverty that survive or even grow not because of some evident
negligence among their members or among the society in general, but due to much more objective reasons. There is in Canada a considerable number of people who depend on the state welfare in their survival. In the period 1979-82 the number of unemployment beneficiaries has grown by 60% to the level of well over a million; the regular unemployment benefits have more than doubled. Social security expenditure in the GNP has grown in the period 1960-82 from 8.3% to 15.7% (Canada 1985: 223). The question is how much this burden may be effectively carried out by the state administration.

Indians are just a small part of the whole army of people who for various reasons are not gainfully employed and have within the Canadian welfare society some guaranteed rights to obtain assistance. The number of Indians has grown since the turn of the century from 128,000 to 413,000 in 1981 (among Inuit even more: from 2,000 to around 20,000) due to the decline of death rates, particularly among infants, improved health of the population and the high natural increase. Housing conditions have also improved. At the same time Indians have remained relatively uneducated, dependent on the federal government for their basic income, vulnerable to heavy drinking and violence, without any real opportunity to find permanent employment and stability. Two-thirds of them have remained on reserves (a decline in comparison with the situation thirty years ago) which at least provide them with the opportunity to obtain some governmental assistance and to enjoy the ethnic community feeling. However, on the reserve in the great majority of cases there is no economic future. The numerical power of the younger generation is growing but without any employment opportunities for them, thus leading to the aggravation of the situation.

It is interesting to ask whether present day Canada differs in any substantial respect from the image of The Vertical Mosaic created by John Porter (1965) on data from the 1950s and the early 1960s. This image still dominates the Canadian social sciences, inspiring research (see, among others, Clement 1975, 1977), as well as stimulating debate on the nature of Canadian society (Heap, ed., 1974).
The image of an ethnically fragmented and inegalitarian society ruled at the top by the Canadians of British origin has still its validity. According to data provided by D. Olsen for the period 1953-1973, in the state elite the British have remained heavily over-represented, the French slightly under-represented, and all the others heavily underrepresented (Panitch 1977: 199-218). The traditional establishment is still well entrenched and closely linked to the U.S. business circles. This establishment shows an evident tendency of self-perpetuation (Clement 1975). Porter located the sources of Canadian retardation in "a fragmented political structure, a lack of upward mobility into its elite and higher occupational levels, and the absence of a clearly articulated system of values, stemming from a charter myth or based in an indigenous ideology" (Porter 1965: 558). These sources of weakness are still in present day Canada and in some fields they have become even much more acute.

On the other hand, some new trends have entered the Canadian scene and have gained much importance. One of them is the rising educational level of the whole population, and especially the young generation.

The ethnic factor seems to change its role in comparison with the past. Most of the ethnic groups have shared in the socio-economic achievements of the country and their relative positions have improved - even if their relation versus the establishment has not much changed, except in the case of the Quebecois. In the anglophone Canada the English language dominates universally at the family home but many "ethnics" still preserve their traditional allegiances without meeting any substantial discrimination. There is a partial fulfillment of the prediction by Porter (1965) that cultivation of the ethnic differentiation would necessarily lead to the weakening of the Canadian identity and the perpetuation of social inequalities. The case of Quebecois should be in this respect treated separately from the other ethnic groups. Porter is right that "ethnic differences have been important in building up the bottom layer of the stratification system in both agricultural and industrial settings" (Porter 1965: 73). However, he underestimated the processes of educational and economic upgrading experienced in Canada by several ethnic groups during the 1960s and the 1970s.
The Changing Values

Traditionally religion used to provide a strong social bond and cohesion in society but in the Canadian case it did not work this way from the beginning because of the denominational diversity. Catholics among Canadians have grown in the period 1921-1981 from 39 % to 47 %; among the Canadian Roman Catholics only one-fifth are British and three-fifths are French. The one-ethnic denominations do exist in Canada (Jewish, Ukrainian Catholic, Greek Orthodox, Mennonites, Hutterites) although they are numerically overshadowed by the ethnic mixture in other religious groups. For example, among the people of Polish ethnic origin, traditionally Roman Catholic, in 1971 29 % were not Roman Catholics.

It is known from the public opinion polls that during the 1960s and 1970s church attendance has slumped in Canada quite severely. Among Catholics it has diminished from almost 90 % to around 60 %, and among Protestants from over 40 % to less than 30 %. The most severe drop in attendance appeared among French-speaking Catholics, followed by English-speaking Catholics. Regular attendance at church is now still much higher among Catholics than among Protestants; however even among the Catholic anglophones one-third do not attend church regularly. The older people attend church more often than the younger ones. As H.Mol states, "the severest drop in attendance between 1965 and 1974 took place among French-speaking Catholics, followed by English-speaking Catholics, rather than among Protestants" (Crysdale & Wheatcraft, eds. 1976).

Churches decline in their importance as mediators of salvation but the church attendance rates in Canada are still higher than in many other developed countries. Christianity ceases to be an official establishment within the Canadian society and becomes exposed to questioning and criticism. As J.W.Grant says, "The Church's former role as mentor and guide to the nation had inspired it to raise up statesmen and prophets, but it had also laden it with heavy weight of institutional responsibility. Having shed most of its political power it could, if it would, concentrate on its primary task of offering good news to the people" (Crysdale & Wheatcraft, eds., 1976).
There is a growing difficulty to maintain by the churches the moral authority over the people. The young generation is particularly vulnerable to anticlericalism and secularization. In this respect is quite characteristic that in the period 1961-1971 the number of small children per one thousand Catholic women in the age 15-44 declined from 666 to 403 (745 among the Hutterite women). Survey data show that Catholics do not differ very much from Protestants in the utilization of contraceptives.

All this does not necessarily mean that Canadians become atheists or agnostics. In 1981 only 7.3% of Canadians claimed no religion (Canada 1985: 61). Most people in Canada are just too much preoccupied with practicalities of their daily life and leisure to consider seriously the philosophical basis of their existence. Religion is part and parcel of the relatively comfortable style of life and only a much higher measure of instability may stimulate the more active mass approach to the religious problems.

What are the factors which bring Canadians together? The anti-American feelings are quite often interpreted as basic for the Canadian unity. How much negative orientation towards the U.S. really does exist in Canada may be a matter of debate. According to 1974 comparative survey data, only a little over 20% of the Canadian respondents, approximately the same among the elite as among the general public, felt that the proximity of their country to the U.S. was too close. On the other hand, the Canadian general public felt in a little over 20% cases that the proximity of their country to the U.S. was not close enough (Social Indicators 1977: XLIX).

Canada is an ethnic mosaic although the progress of reduction of the whole society to the two statutory ethnic groups appears to be quite fast with the spread of mass education and the socio-economic upgrading of several ethnic groups that traditionally used to be underprivileged. Canadians with English or French as their mother tongue constitute around 90% of the whole population and the same is valid for the home language (93%). The French only are strong in Quebec (60%) and in New Brunswick (13%). People using French and English represent 32% of the population in Quebec, 26% in New Brunswick, and 11% in Ontario (15% in the whole of Canada). Among the nonstatutory groups are
mainly Germans (2%), Italians (2%) and Ukrainians (1%). The English language is used daily at home in Canada by almost all ethnic Scandinavians, 80-90% of ethnic Dutch, Germans and Jewish, three-quarters of ethnic Ukrainians and Poles, half of Asians, but only two-fifths of Italians and one-seventh of French.\textsuperscript{37}

What keeps the nonstatutory ethnic group communities still alive is to a large extent the status competition (Lopata 1976). The prestige hierarchy inside an ethnic community has been for many "ethnics" a convenient and fully acceptable occasion for status crystallization. Having in general great difficulties to establish their status outside of their own community (language difficulties, differences in the religious background, low educational level, lack of the strong achievement motivation) immigrants from the foreign countries had to rely mainly on their own religious congregations, mutual benefit associations, centres of a patriotic activity, families, friends and neighbours. The high organizational diversity of the most among ethnic groups, and the long tradition of internal splits and struggles, may be explained by the intensive search of status. The fund raising activities have remained in many cases highly decentralized probably because this has enabled the very large number of local leaders to enjoy power and prestige. Conflicts among the ethnic leaders and activists frequently have dramatized the status competition. Various groups which together constitute for example the East European ethnic communities are far from accepting the common leadership, especially when this comes from the traditional intelligentsia that used to "govern the souls" in the old country.\textsuperscript{38}

\textbf{The Labour Force}

The Canadian labour force has been growing very quickly in comparison with the increase in total population. From the turn of the century to the early 1970s it grew 372% compared with 343% of the working age population. In the 1960s and the 1970s this labour force has grown much faster (almost 50% in the period 1961-1974) than in any other developed country. The ratio of employment to the population has remained at the level of 57% during the period 1974-84.
Most of the acceleration in the labour force growth has come from the higher work participation rates; they grew in the period 1974-84 from 60.5 % to 64.8 %; among married women the participation grew from 21 % to 53 % in the period 1961-83; also among the young the labour force participation is now much higher than in the 1960s. A half of the Canadian families have two or more income earners, and one of them is a working woman. Around a half of working women are married; one third of all employed women work part-time; two thirds of all working women are concentrated in clerical, service and sales occupations; women usually earn less than men. Net immigration contributes to the labour growth now much less than it did in the 1950s and the 1960s.

The present day labour consists to a much larger extent than ever before of the paid workers and only few self-employed persons; this has great consequences for the profile of the white collar labour force. The proportion of working women has grown considerably; in the period 1960 to 1977 it grew from 27 % to 38 %. Over a quarter of the total labour force consists of professional and managerial staff, but relatively few women among them. The share of women in the post-secondary education has grown very substantially since the 1960s. However, still over four fifths of Canadians believe women should not work unless they choose to; for half of the women family is the key to attaining their life goals.

The young adults 20-29 years old constitute almost one fifth of the total population and are in general much better educated than people from the older generation. However, they have good reasons for showing dissatisfaction. First of all, they are handicapped by the shortage of jobs on the market, seniority rights, and the informal grapevine. On the other hand, they are products of a prosperity epoch: myth of a consumer society, with the emphasis on one's own fun. They are also pawns to the artificial manipulation by the mass media. While still in school they were taught to have the natural right to be happy and believe in no limits to socio-economic growth. This generation enters the present day reality in which the chances to succeed are diminished.
Expectations versus Reality

The occupational changes in Canada go together with the considerable upgrading of the educational level of the Canadian population. The aspirations have the tendency to grow much faster than the potential of the service-oriented society to satisfy them, primarily to open enough jobs for the young people, and to improve the general standard of living among the lower strata.\(^42\)

The rapid increase of school leavers with post-secondary degrees or diplomas has outrun the creation of jobs requiring such education. The youth contribute one third of the labour force but a half of all unemployed. Even more significant is the fact that unemployment is growing in the core of the labour force and not only on its margins.\(^43\)

The shortage of jobs is demoralizing and very disturbing for the future when taking into consideration the traditionally low share of manufacturing in the total employment structure (19 % in comparison with 27 % in Japan and Sweden, 35 % in the U.K. and 39 % in West Germany), the constant diminishment of the share of agriculture, and the high share of services which are particularly vulnerable to the changes of prosperity. On the proportionate basis, some 20 % more people are employed in services in Canada than in the U.S. In the period 1960-82 the industrial employment has grown only by 18 % in comparison with 202 % in services (in construction it has declined by 15 %) (Canada 1985).

The high level of unemployment is also influenced by the nature of the Canadian welfare system which gives at least some advantage for non-working over working if the difference is not big enough between taking unemployment insurance benefits instead depending on wage from work. In Holland this has gone far but also in Canada the unemployment coverage is quite beneficial. Unemployment benefits as a percent of average earnings are in Canada higher than in the U.S., Japan, the U.K. or even West Germany, but lower than in Italy, France and Sweden. 95 % of labour force are covered by the unemployment insurance; the average weekly payment has grown from Can$ 109 in 1979 to
Can$ 145 in 1982. The main family income earners constitute less than the half of all unemployed.

"Unemployment insurance may increasingly be considered as part of the regular stream of income and becomes a way of life, not because jobs are not available but because people choose not to work" (Drouin & Bruce-Briggs 1978: 104-106).

The economic dissatisfaction in Canada is not limited to the traditionally lower strata; it does appear also in these income and prestige groups that feel endangered in their entrenched positions by the mass of people from the traditionally lower groups who have gained in income and political leverage. The upper classes have effectively monopolized conventional politics. However, there is a great number of people who question this arrangement. Still not long ago the parity with the U.S. in income and consumption was the privilege of relatively few Canadians. Now "the middling Canadians have achieved near parity with their peers in the U.S. so the prosperous (except civil servants) have suffered and are getting restless" (Drouin & Bruce-Briggs 1978: 44).

Most Canadians favour the government intervention into the economy. They give strong support to the wage and price controls. According to survey data, the majority of Canadians think that old age pensions are not high enough; they are for giving the government allowance to mothers who stay home with children; they favour the government control of housing prices, etc. Job creation is treated by over 9% Canadians as the best way to help unemployed.

Almost a half Canadians would like to see more interference of the government with trade unions, and two-fifths of them would like to see the same done with large corporations (CIPO, August 1976). "Big labour" has ranked first in the Canadian Institute of Public Opinion's 1977 annual poll on the question: Speaking of the future, which do you think will be the biggest threat to Canada in years to come - big business, big labour or big government? Of the 1,010 Canadians surveyed at the end of 1977, 38% replied-big labour, 35% - big government, and 21% - big business. However, labour's popularity has improved since December 1976, when the equivalent percentages were 43% for big labour, 33% for big government, and 18% for big business (The Labour Gazette, June 1978: 224).
The structural transformations of the Canadian labour go together with some growing needs and aspirations of working people regarding participation. According to the data from 1974 Work Ethic Survey sponsored by the Federal Department of Manpower and Immigration, the work ethic was in that time still high in the country. The 1973 Job Satisfaction Survey sponsored by the same Department showed that people expected work to be interesting, they wanted enough information and authority to do their jobs, and they wanted to develop their talents. "Intrinsic aspects of work such as having sufficient information and authority outweigh the importance of extrinsic features such as salary or comfortable surroundings" (Burnstein et al. 1975: 30).

The context of work done by the blue collar workers in Canada, as well as its external conditions, may in many cases justify boredom, dissatisfaction, absenteeism or unrest (Rinehart 1975). Even though the standard work week diminished in the period 1951-1971 from 44 hours to 39 hours (38 hours in manufacturing in 1982) and the percent of non-office employees who received at least two weeks paid vacation grew in the period 1961-1971 from 23 to 77 in manufacturing and from 8 to 84 in mining (Perspective 1974: 99-100), the level of dissatisfaction is quite substantial.

Aspirations typical now particularly for the young generation should be met by the adequate innovations in social organization of the Canadian workplaces. According to the results of the 1973 Job Satisfaction Survey, "in assessing the match between Canadian workers' actual jobs and their job aspirations, it appeared that the greatest discrepancy was, by far, with respect to promotional opportunities, followed by challenge, supportive resources, financial considerations, and quality of supervision" (Burnstein et al. 1975: 35). In planning any practical participatory solutions it would be necessary to take into consideration the above mentioned factors. It is worth to add that Canadian women are as concerned as men with interesting and challenging work, as well as with promotional opportunities (Burnstein et al. 1975: 57).

Thanks to the growth of productivity in agriculture (it doubled during the 1960s) and its progressing concentration, there is less need of farmers and farm managers, as well as of farm labourers and supervisors. The decline of
agriculture's labour force has been even more rapid in Canada than in the United States: from 20% to 5% in the period from 1950 to 1974. Only half of the farm operators perceive farming as their major source of income; 60% of the farm family earnings come from nonagricultural activities.

The role of the non-profit service sector of the Canadian economy has been growing constantly and this has an impact on labour. The employment perspectives of Canadians during the 1970s depended to a considerable extent on the subsidized jobs. The attainment by Canadians of better education leads to the progressing sophistication of non-profit services both by demand and by supply; this also creates a great demand of the non-authoritarian style of management and opportunities for participation.

Over one-fifth of all working Canadians are employed in the public sector. Since the early 1950s the share of employment in public administration has tripled. There is a general pressure on the public sector to support the development of welfare state even at the expense of a higher deficit (during the 1970s it has grown from 1% to 5% of the GNP), indebtedness, inflation, and the growing labour costs. The tertiary sector of the economy dominates all over Canada, but in the remaining sectors there are some regional differences. In Quebec and Ontario the primary sector is particularly small in comparison with the Prairies region and even with the whole of Canada.

**The Hard Working People**

With the changing structure of the Canadian labour force the relative position of the blue collar workers also becomes transformed very substantially. People working manually in manufacturing are concentrated in Canada only in few places very distant from each other. The gap between the "core" workers in construction, mining and manufacturing and the "marginal" workers in services has grown and its existence makes almost impossible to establish such a collective consciousness of the working class as in several European countries. Canadian socialism has to face the conflictual vested interests of various groups which together constitute the Canadian working force. The relatively
privileged blue collar worker categories represented by their unions do not find enough common ground with the large mass of various categories in services that remain non-unionized. The voting behaviour of Canadians does not show a reliable differentiation according to the class lines. On the other hand, more and more people become hired labour and this fact may have in the long run some socio-political consequences. For example, the growing power of socialists in the traditionally conservative province of Alberta is probably much related to the growth of hired labour.

Underdevelopment of the secondary sector in the Canadian economy, and particularly of the manufacturing industry, as well as the relative overdevelopment of the tertiary sector, and particularly of the public administration, both have a negative impact on the numerical size, social prestige, collective power and the collective consciousness of the blue collar worker stratum. The fast growth of education and until recently the great absorption of young people by the public sector have much stimulated aspiration to be upgraded economically and socially. The middle class identity, which includes also farmers, is widely spread but at the same time it means much less in the socio-cultural sense than in the countries with the long established class divisions and class traditions. Only in the case of a very serious economic deterioration a genuine class polarization may split the whole society. This is highly improbable as long as the Canadian welfare state is able to depend on the royalties and taxes originating from mineral resources, grain, and electric power.

**Industrial Relations**

There are several factors which shape the contemporary industrial relations scene in Canada: the limited bargaining power, the growth of the labour force and the rising educational level of workers, the difficulty in maintaining cost and price stability, the growing labour participation of women, the erosion of the competitive position of Canadian manufacturing on world markets, the mutual distrust between employers and trade unions, the jurisdictional battles between unions, etc. It becomes quite obvious to many observers that in order to meet the new needs and aspirations the system of industrial relations must be redesigned.
In North America the long established practice of collective bargaining is the dominant factor of industrial relations, and any management participation schemes must be considered within the above mentioned practice. The ready made theoretical schemes of a collectivistic, syndicalistic or even guild socialist nature (Cole 1975) do not adequately fit into North American societies with their loose class division, limited historical role of the central state, and only marginal socialist tradition. In addition to it, all over the Anglo-Saxon world trade unionism is traditionally committed to the praxis of an "antagonistic co-operation" with management. "One of the main tasks of trade unions is to limit and control those persons and institutions who yield direct authority over industry. If trade unions were too closely connected with industrial management they would not be able to do that job" (Clegg 1964: 27). The widely spread establishment of this view among the great majority of the Anglo-Saxon trade union leaders explains why they are hesitant to involve themselves into the participatory schemes. The attitude of the Scandinavian, West German or Austrian trade unionists is entirely different in this respect (Marin 1985).

The coverage of the Canadian working force by the collective agreements is constantly growing. The major issues covered by collective agreements are check-off (Rand formula), seniority on promotion, layoff and illness, length of probationary period, training, notice of layoff, posting of job vacancies, severance pay and supplementary unemployment benefits, length of maternity leave, hospital plan, insurance, pension plan, paid sick leave.

Unions are preoccupied with securing existing jobs gaining ground in cost-of-living allowances, employer contributions in health and welfare area (dental coverage etc.), premium pay, vacations with pay,, etc.; they are not interested in participation. The collective agreements in Canada are very often of a local character, and this in the long run may favour the management participation at the plant level.

"There are roughly 220 major unions (as well as hundreds of various direct chapters) responsible for administrating 22,000 collective agreements. That's about 140 members per agreement. They operate in 10 provincial jurisdictions as well as one federal jurisdiction, and these in turn apply different sets of bargaining rules to various types of workers (construction, public sector, and industrial union members usually get targeted for separate legislation)."
Each province sets its own rules for certifying new bargaining units, but
delineation of these units does not always make sense in terms of future
bargaining situations (usually because certification of units is done on a
trade-by-trade basis, while bargaining is done company-by-company).
Thus a single company often finds its employees represented by several
different unions, sometimes from competing labour centrals.

Unlike the case in many European nations, there is not national
institution that can hammer out a national consensus on what the
Canadian economy can bear in the way of wage increases each year.
Even if such an institution existed, there is little likelihood a consensus
would emerge, since organized labour has never really been accepted by
business or government as an equal partner. Without the responsibilities
of co-decision maker, the Canadian labour movement (with some
exceptions) has had little incentive to move outside its long-standing
role as power broker for its members' wages (Bagnall 1983: 2).

During the period 1973-82, an average one day per year was lost on strikes by
each employee, in comparison with 0.4 in the U.S., 0.5 in the U.K., 0.2 in
France and 0.4 in West Germany. In the period 1982-85 the time lost on labour
disputes (in person-days) has declined by almost a half due to the lower
bargaining power of trade unions under the unfavourable labour market condi-
tions. In some branches of the Canadian economy, industrial disputes lead to a
considerable loss. Per one Canadian union member, in the period 1973-82, over
100 days were lost on strikes in fishing and mining, and between 40 and 50 days
were lost in forestry, finance, manufacturing, and construction. In the period
1980-82, time lost per employee in Canada (0.8 day per year) was even high
than in Italy (0.75) and twice as high or more than in the U.K. or the U.S. The
most strike ridden industries show at the same time a high accident frequency.
The public-sector unions are less militant than the private-sector unions but
this is changing.

There is a big problem in Canada how to improve the collective bargaining
mechanism. There are, in this respect some structural factors which must be
taken in to consideration. The high level of concentration in several Canadian
industries is of some significance in this respect. In breweries, tobacco, motor
vehicles, distillaries, cotton and cloth mills, and petroleum refining four biggest
enterprises account for over 8% of the total employment of a given branch
(Canada Year Book 1973: 727). Effectiveness of the collective bargain proce-
dure in these crucial enterprises is of a decisive importance for the majority of
the working force.
Trade Unions

There are four basic features characteristic of trade unionism in Canada. First of all, almost a half of unionists are members of the so-called international unions; in reality American unions. The growth of Canadian membership in the U.S. based trade unions was from around 200,000 in the 1930s to 1,000,000 in the 1950s and 1,500,000 in the early 1970s (Handbook 1975: 389). This has created a problem of autonomy for Canadian sections from the U.S. union headquarters. At the present time the degree of autonomy varies widely from union to union, but in many cases is restricted. Officers in Canada are appointed by the U.S. headquarters, collective agreements negotiated in Canada need a U.S. approval, and a considerable portion of the union dues goes to the U.S. In the period 1980-83 the share of the 'international' unions in the Canadian union membership has declined from 46% to 41%. Canadian unionism has its own political arm, distinct from U.S. unionism, this being the New Democratic Party.

There is a real problem of the democratic membership participation in those unions which become bureaucratized. The attitude of the Canadian trade union movement towards the issue of participation is very much influenced by its position in the Canadian society. The union leadership is far from being enthusiastic about the participation schemes as in West Germany or in Sweden. This may be explained at least to some extent by the fear that these schemes may still weaken the position of unions.

The Canadian Labour Congress is a relatively weak body even if it accounts 56.5% of the total union membership (1983). A half of the union members are in 16 big unions of over 50,000 members, but the rest are dispersed among the remaining almost 180 various unions which happen to be in jurisdictional struggles with one another for gaining more members.

Women participate much less in unions than men (20% of working women are unionized in comparison with 40% among working men), and they constitute only one fifth of all union members. The growing employment of women creates some problems for employers as well as for unions; both of them have not
learned so far how to become attractive for women. Only in public administration over a half of working women are organized; however, even there the unionization of working men is higher (75%).

The Canadian trade union movement is far from being strong enough and well established. This has consequences for its position in collective bargaining because the unions must appear aggressive in order to remain attractive for the membership. In addition, the dependence on the U.S. headquarters in several unions lowers to some extent their local appeal and the positive public image. Incoherence of the Canadian trade unionism contributes to the inadequate functioning of collective bargaining because unions are not strong enough to come to terms with the employers this or another way.

The weaknesses of the Canadian labour movement work against its serious involvement in the management participation projects. In West Germany and in Scandinavia the traditional strength and public appeal of trade unionism have allowed the trade union leaders to involve themselves in the above mentioned projects without taking too much risk. They have behind them in this respect not only the political support of the leftist part of the public but also the understanding of a very large segment of the public opinion. In North America this support is relatively much weaker or even non-existent and therefore the highly restrained or even suspicious attitude of the trade union elite is quite understandable. On the other hand, unions would be able to gain an additional respect and a broader appeal by promoting the idea of management participation as the device to improve the system of industrial relations.

The fact that the North American labour movement is oriented towards gaining as much as possible in material gains for their members does not necessarily mean that it must be hostile to the management as this happens in Italy or in France. On the opposite, the effective bargaining process necessitates more mutual understanding and co-operation. The concept of workers' control as "a balance of hostile forces, a division of authority between rival contenders" (Coates 1975: 91), is foreign to the mainstream of the North American labour movement. There is within this movement much of a well justified suspicion that the socialist model of the economy, even such as the Yugoslav self-
management socialism, becomes spoiled by the omnipotence of the state, the far reaching limitation of individual group initiative (as well as civil rights), huge bureaucracy, poor management, low productivity, and the total subservience of the labour movement.

On the other hand, in North America there are several objective and subjective conditions which favour some progress towards at least workers' participation if not even the full scale labour-managed economic system (Vanek 1970). The question is how much the work institutions become limited in their effectiveness by their own bureaucratic bias and on the other hand how much the voluntary associations become paralized by the status and power preoccupations of their leadership.

**Conclusions**

Several major problems of present day Canada have their roots in the narrow scope of interests and concerns of individuals and groups who are unwilling or unable to reach beyond their own micro-world and pay serious consideration to the public interest of the whole country. In this respect there is an evident gap between the "organic solidarity" (Durkheim), based on the greatly developed modern division of labour, and the fragmentation of the socio-moral fibre of the society resulting from the cult of individualism. Primary groups, the basic sources of any genuine socialization, have become weakened by the development in Canada of a depersonalized mass society based on the general U.S. pattern. The manipulatory character of the mass society model (Matejko 1986: 280-322) does not help to achieve in Canada a high level of collective maturity. The body politic, so effective in the struggle for popularity and votes, is much less successful when dealing with the crucial disintegrative trends related to unemployment, poverty pockets, crisis of education, mutual relations between both statuary ethnic groups, aggravated industrial relations, industrial under-development, etc. (M.Crozier et al. 1975: 203-211).

Canada needs a new approach which would go beyond the traditional bureaucratic ways of policy formulation. It is not only the problem of less governmen
tal secrecy and more skilled expertise but also an issue of showing the courage, imagination and ability to look for the new ways of problem solving.

With the widening employment of women, lower age of the first marriage and the growing divorce rate there is a problem how to strengthen the family ties and overcome the generation gap. In order to help families it seems necessary to mobilize several resources which would extend the scope of social bonds, neighbourhood associations, etc. and provide the nuclear families with some additional support. This is particularly valid for broken homes, the new arrivals into a given area, etc. The network of the substitutive "extended family" institutions is of a growing importance in the present day Canadian society. The example of Sweden in this respect may be very illuminative and encouraging.

The socio-moral fabric of society is much endangered by various conflictual interest groups and bureaucratized institutions following their own particularistic concerns and interests. The traditional socializing agencies, primarily the family, have become highly endangered under such circumstances. The welfare state has been unable to fulfill the care taking role due to its impersonality, anonimity, and bureaucratization.

Canadians are still under the influence of a myth that the material abundance of the 'post-industrial' society will automatically eliminate all social, economic and political troubles. The conserver society may be a model how to face the unavoidable material limitation; hopefully it will also stimulate understanding that the socio-moral resources are perhaps the most important asset.

Canadians have to learn how to organize their society in such a way that the asset above mentioned would be fully utilized. Instead of depending on a society consisting of the bureaucratically manipulated consumers and producers, more and more Canadians strive to develop a society based on autonomous groups open to spontaneity and eager to reconcile their own concerns with the public good (Porter 1961). John Crispo is right claiming that

"... the ultimate choice now beginning to confront all modern industrialized societies is between highly bureaucratized and centralized corporate and technocratic systems and a series of reasonably well
balanced and interdependent quasi-autonomous sub-systems. Collective bargaining could prove to be one of the first of these sub-systems of democratic pluralism to be jeopardized if the choice even begins to go the wrong way. For this reason labour and management could be risking everything if they do not consider more carefully, earnestly and openly all of the alternatives which are still freely available to them" (Crispo 1978:174).

Canada in terms of her employment structure and the demands of her population constitutes at the present time a post-industrial society but the industrial basis of common wellbeing has remained definitely underdeveloped. There is in the country an obvious need of the large-scale and long-range industrialization policy and the much better utilization of natural resources. The reform of the industrial relations system in the spirit of industrial democracy has developed very effectively in Scandinavia, Austria, and West Germany. The Canadians may gain much inspiration from there.

In order to secure a more promising future for the whole country it is necessary to stimulate a much more effective socialization in all fields of the collective activity. The middle class standard of living has become a common expectation even if only a part of the population is financially able to achieve this standard; quite many Canadians live beyond their means. The liberal values of the Canadian school system reinforce the progressing "revolution of rising expectations". The rights of citizens are given priority over their responsibilities. The voluntary nature of military service also contributes to the spirit of wellbeing and individualism as the most important human attribute of Canadians.

In the conserver society an effective socialization is of crucial importance in addition to the formalized social discipline. Probably in the long run it will be unavoidable to restrict several immediate satisfactions of Canadians but at the same time to offer them more occasions of co-responsibility and co-decision making. Sharing of duties and rewards (Weitzmann 1984) has much future in the Canadian enterprises; there is much need for bonuses motivating people for more innovation and better productivity.51) The export capacity of the country needs constant improvement in order to face the rapid pace of change on the world markets.52)
The national and regional consciousness of Canadians depends much on the proper functioning of the institutional structures: schools, hospitals, businesses, various services. They need to be constantly reinforced by organizational development focused not only on management consulting (Kubr 1980) but even more on management self-development (Boydell 1985), as well as on experimenting innovative forms of work organization. The Japanese organizational experience has only a limited application to the Canadian scene but it shows how much the effectiveness may be improved by the mobilization of local resources. The pioneer spirit of Canada is still alive and it may serve as an inspiration.
Footnotes

1) The foreign capital controls two-thirds of large companies in manufacturing, mining and forestry and there is a strong feeling about it among many Canadians, but at the same time the Canadian savings flee abroad instead of staying at home. Local manufacturing is neglected but the average standard of living is in many aspects even higher than in several well industrialized countries.

2) 9 % of GNP combined federal and provincial deficit in 1986. In 1984 the average for five largest industrial countries was 4 % and in Canada 5 % of the GNP. In the period 1975-86 the public debt in percent of GNP has grown from 22 % to 69 % in Japan, from 45 to 50 % in the U.S., from 25 % (19 % in 1970) to 42 % in FRG, and from 44 % (1970) to 100 % in Italy. The state expenses in percent of GDP have grown in the period 1960-85 from 23 % to 35 % in the U.S., and from 32 % to 51 % in the eight countries of the European Community. In the U.S. the real social welfare expenditure in the period 1968-85 has more than doubled (223 %), when the real armament expenditure has declined (92 %) (Der Spiegel, 1986, 43:185, 188, 192). Social welfare state expenditure has grown in the period 1970-81 in the percent of GDP from 24 % to 33 % in FRG and from 11 % to 21 % in Japan. The U.S. foreign trade deficit has grown in the period 1976-85 in billion US$ from -10 to -124.

3) Manufacturing represents (1985) 29 percent of output in Ontario (a half of all Canadian manufacturing) and 24 percent in Quebec (a quarter of all Canadian manufacturing) but much less in any other province (e.g. in Alberta 8 percent). Saskatchewan produces most of Canada's wheat exports, and Alberta produces most of Canada's oil and gas.

4) In French language TV only films are predominantly foreign.

5) For example in 1983 Canada used electricity per one employee in manufacturing and construction 48 MW in comparison with 14 MW in Austria and 18 MW in West Germany.

6) The growing oil trade deficit and substantial subsidies in order to keep the domestic oil price down, as well as the growing oil consumption (private automobiles consume thirty percent of Canada's oil) all add to the economic problem. Over one half of Canada's energy requirements are based upon oil. For every one percent increase in price the demand of gasoline by consumers declines by only 0.3 percent. The utilization of coal for the domestic use is limited.
7) The U.S. investment in Canada constitutes one-quarter of the U.S. total foreign investment. Approximately one-fifth of the Canadian labour force are employed by these foreign controlled industries. Canadians invest mostly in the U.S. and this makes the dependence of Canada on the U.S. even deeper. From the total Canadian direct investments most are located in the U.S.

8) So far investments play a lesser role in Canada than among her competitors. Canada is not able anymore to compete on the international markets on the basis of lower labour costs. Also, inside the country there is a constant pressure for higher wages, often in excess of productivity gains.

9) In 1983 the employment in the public sector was as follows: federal government - 432,000, provincial governments - 370,000, local governments - 287,000.

10) In the period 1970-85 the expenditure has grown in per cent of GNP at the federal level from 18% to 25%, at the provincial and municipal level from 22% to 26%, and in the Canada and Quebec pension plans from 0.2% to 1.5%. The net lending has grown on all these three levels from -5% of GNP to -8% (Canada 1986: 39). In the period 1975-82 the federal debt per capita has grown from Can$ 849 to Can$ 3,860. In 1986 among countries which had the external debt from three to five times higher than the annual exports of goods and services were: Poland and Argentina (5 times), Chile (4 times), Brasil, Mexico, Philippines, Egypt, and India. These countries are in major difficulties. At the same time the GNP per capita in Japan (US$ 17,000) is already higher than in the U.S. (US$ 16,000) and some Far East countries are fast growing (The Economist, 1986, 301, 7469).

11) The government spends on transfers over two-fifths of the GNP (only 20 percent in 1950) in comparison with one-third in the U.S.

12) The concern of leftist critics of the Canadian establishment with the fact that corporate organizations maintain the disproportionately great degree of social power in the Canadian society seems fully justified. However, the general conclusions to which some of them come are at least questionable. The Canadian crown corporations are far from being very profitable and there is no any assurance that the wide spread public direct control of production means would be beneficial for the Canadian society.

13) Since the early 1950s the primary industries have diminished in the total employment from 23 percent to only few percent, manufacturing and construction together from 33 percent to around 25 percent, and all remaining service-oriented industries have grown from 44 percent to two-thirds of the whole. The primary occupations in the Canadian labour force have diminished since the turn of the century from 44 percent to only four
percent and the white collar occupations have grown from 15 percent to more than a half.

14) Compensation of workers in Canada is almost the same as in the U.S. It was in 1963, 73% of the U.S. standard and 90% in 1972; now it is around the same in manufacturing as in the U.S. or in Sweden. During the 1970s wages in Canada grew much faster than productivity gains. The non-wage labour costs of wage earners in manufacturing have grown in the period 1965-83 per year by 4% in Sweden and the U.K., 2.5% in the U.S., 2% in Canada, Netherlands, Denmark and Belgium, but only .44% in Japan, .56% in France and .17% in Italy (Of man and machines: The Outlook for Jobs, The OECD Observer, 1986, 142: 4-11).

15) For example, in Poland even in the best economic situation during the early 1970s food took almost three times more of the personal consumer expenditures than in Canada.

16) Canadians have comfortable housing conditions even if the cost of housing has grown quite substantially. Life of married Canadians is concentrated mainly at home with shopping being done in large shopping centres. Two-thirds of Canadian families own their homes and this is one of the highest indicators in the well-to-do societies. Even in the cities with over 100,000 population only 40 to 50 percent of inhabitants live in apartments, and the rest in their own homes. In Canada the occupancy congestion of housing (the average number of inhabitants per room) is approximately the same as in Sweden or the U.K. but much lower than in Japan, France, Hungary, and Czechoslovakia. Almost all Canadian households have refrigerators and TV sets; nine-tenths of them have bathrooms, vacuum cleaners, and electric ranges. Over half have one automobile (twenty-three percent have two or more) and color TV sets. Almost a half have automatic washers and clothes dryers. If measuring the wellbeing of the population in the number of cars per thousand people (1985 data) there is a basic difference between these countries where the cars are very common (over 300 in the U.S., Canada, FRG, Switzerland, France, Italy, Sweden, U.K.) and the rest of the world where the cars are rare. Spain, Japan, GDR and Saudi Arabia are in-between (The Economist 1986, 301, 7471: 107).

17) Already in the second half of the 1970s the government sponsored social security helps financially one-third pensioners in the country; around seven percent of the total population received the assistance; three percent of the family income in Canada came from the family allowance payments; the health insurance cost was equal to five percent of the personal income per capita.

18) From the 1920s to the 1970s Canadians moved from six days a week forty-eight hours labour to five days a week thirty-five hours labour. In manufacturing among office employees five weeks vacations were avail
able in 1978 to 80 percent but in 1982 to 89 percent. Among non-office employees five weeks vacations' coverage has grown in the same period of time from 66 percent to 76 percent (Canada 1985:184).

19) The standard of living and the expenditure patterns related to it are still very far apart in various provinces and this contributes to the feeling of injustice and dissatisfaction. This is particularly evident in the highly differing regionally rates of unemployment and social welfare. For example, these is a substantial gap between British Columbia and Newfoundland in per capital expenditure on dentist's services.

20) See the subchapter: Social Inequalities.

21) In the 1970s personal taxation took around 25 percent of expenditure in the highest income quintile of Canadian families and around 6 percent in the lowest income quintile of the families (Perspectives 1980: 103, 110).

22) In the period 1961-78 personal expenditure on consumer goods and services - if taking 1961 for 100 - has grown (in constant 1971 dollars) to 236 in 1978 but the share of gross fixed capital formation in GNE (Gross National Expenditure) has remained in that period at the level of around 21 percent, and the import goods and services more than tripled (324) leading to a substantial balance of payments deficit (Perspectives 1980: 111).

23) In the half of 1986 Progressive Conservatives had in the House of Commons 74 % of seats.

24) Only Japan and the U.S. managed to provide a large number of industrial jobs outside manufacturing.

25) The decline of religious beliefs and practices in Canada reinforces a onesided egoistic approach to life and society; this leads to excessive demands and anxiety. The centrifugal tendencies originate to a large extent from the widespread anomie which feeds dissatisfaction, and makes people particularly vulnerable to negativism as an easy answer to the current problems of society. Canada consists more and more of individuals and secondary groups based on vested interests, but less and less of primary groups which are necessary for any genuine socialization. The career of 'social gospel' in Canada may be criticized as a diversion from the spiritual nature of religiosity understood as a non-secular commitment (Antonides 1983).

26) In public administration, jobs tripled between 1946 and 1975. In education, health and welfare, employment has increased fourfold. However, the
present day majority of the Canadian taxpayers are against the rapid growth of the nonprofit sector.

27) The cost of medical care per capita has six times grown in the period 1960-1976. The expenditure on hospital services and physicians' services almost tripled in the period 1958-1973 and in prescription drugs went up five times. Cost of the hospitalization per patient-day went up by 75 percent in public general hospitals and five times in public mental institutions (calculated in constant dollars). Due to aging of the population the medical needs are growing fast. Moreover, the progressing treatment of the chronic and degenerative diseases drives up costs. The medical advances also add to the general cost. Yet, with the present high level of health, life expectancy and available medical resources, Canada has been experiencing, together with other Western developed nations, ever-diminishing health returns from the growing expenses on health care.

28) Much waste in the Canadian health system can be easily detected. A half of the whole health expenditures and two-thirds of all government health spending (in the 1920s only one-fifth) goes to hospitals but a great majority of them are just too small to be economic. The bed occupancy rate is inadequate, but at the same time there is even too much excessive referral to the expensive hospital care and not enough emphasis on the prevention. For example, flouridation covers only a half of the water mains which serve the population. Also, physicians prescribe many expensive tests, without any constraints. Thus if their fees represent only one-fifth of the total health-care expenditure, they decide how much a given patient will cost the state. According to the estimate for Ontario, each doctor generated in the mid-1970s annual costs of two to three hundred thousand dollars (Bennett & Krasny 1977).

29) According to Mittelstadt (1975: 8), one percentage increase in unemployment in Canada leads to 0.37 percent of GDP increase in unemployment transfers in comparison with 0.15 in France, around 0.30 in Japan, U.K. and the U.S. In Canada the unemployment rate of 9 percent is equal to the social cost of almost 3 percent of GDP in gross transfer payments in comparison with around 1.5 percent in the U.S., 1 percent in U.K. and 0.5 percent in France (ibid. p. 7). This means that Canada has to sacrifice more her financial resources for the unemployment benefits than other developed countries. It creates an additional critical problem for the Canadian economy. In addition, unemployment feeds an underground economy. The 'black' economy constitutes in the percent of GDP around 4 % in the U.K., 10 % in FRG, 10-15 % in the U.S., and around 30 % in Italy. In addition it is necessary to consider also the 'self-service' economy, namely the unpaid work within households (20 % to 45 % of GDP in the U.S.). See Stephen Smith, Britain's Shadow Economy, London: Oxford University Press, 1986.

30) In Canada during the period 1960-80 the share of full time students of universities has doubled in the age group 18-24 (11 percent in 1980/81).
31) Among Canadians over 15 years of age the percent of those with the education grade 9 or higher has grown in the period 1939-81 from 43 percent to 78 percent. However, the current quality of learning is not good enough to meet challenges of the technological age. "The challenge rests in finding ways to ensure that Canadians can receive higher quality education within the existing framework of provincial responsibility for education" (A Commission 1984: 47).

32) In the period 1965-82 the share of women awarded with the university degrees has grown in Canada at the bachelor level from 30 percent to 51 percent, at the master level from 19 percent to 41 percent, and at the doctoral level from 9 percent to 25 percent.

33) The age group 10-19 has declined by 20 percent in the period 1976-1986 and this has significant consequences for education policy. School facilities exceed the requirements, and later there will be a shortage of manpower in the labour market. The fertility rate of Canadian women has declined from four at the end of the 1950s to two in the middle 1970s and 1.7 in the mid-1980s. The rate of new births per 1,000 population has declined in Canada from around 30 in the 1950s to 15 in the mid-1980s, close to the Swedish rate of 11 (14 in France, 11 in Italy, 16 in the United States, 20 in Russia). Infant mortality has declined to 9.1 per 1,000 newborn children (better than 10.5 in the United States). However, in the Inuit communities this is much higher (70 or more per 1,000).

34) The average size of Canadian households has declined from four persons in the beginning of the 1960s to below three persons in the 1980s. The share of one person household has grown in the period 1951-1981 from 7 to 20 percent of all Canadian households. The husband-wife families still represent a great majority of total families (75 percent in 1981 and 82 percent in 1971) even if the divorce rate has grown from 138 to 278 per 100,000 population during the period 1971-1981 (36 in 1961). More than half of the divorced of either sex fall within the 30-39 age group. The Canadian divorce rate is much lower than in the U.S. but much higher than in several European countries or in Mexico.

35) People from Quebec move mostly to Ontario and the West. In the 1970s the West has become the major beneficiary of the general population mobility.

36) The survey of European value systems shows a relatively weak attachment to the churches. From all persons questioned only 21 percent had great confidence in the church (19 percent in the U.K.), only 30 percent thought that the church had an answer to moral problems. A little over 40 percent thought that the church met spiritual needs. In Britain one person in seven attends church every week. Among Catholics this number is not much better. "Clearly the attendance of the younger people is dropping and it would be interesting to assess the current situation" (Dominian 1983: 900). See also Perman (1977).
37) Even francophones are under the strong influence of English and therefore at least in Quebec they are trying to take strong measures in order to stop the process of progressing absorption by anglophones that evidently happens outside Quebec. In other ethnic groups this process is even much stronger.

38) East Europeans have several good reasons to feel anxious about their status in the Canadian society. It took them a very long time to move from the farmer stratum or blue collar stratum to the lower brackets of the white collar world. The wide spread attendance of colleges and universities by people of the East European origin is a new phenomenon. The East European identity gradually changes in Canada from folk patterns to something more modern under the growing awareness among East Europeans that the ethnic roots must be located in the living national cultures. The young "ethnics" differ very much in their major problems from the older generations. It is not any more so much the ethnic marginality that bothers them, as the self-identification within the modern mass society.

39) Employment of women in Canada is at the same level as in other highly developed countries as the U.K., the U.S., France and Japan, but lower than in Sweden. Since the 1960s it has grown faster than in other developed countries. In the industrial democracies there are major differences in the maternity leave. In Sweden, Italy, and Austria it is a leave for around 50 weeks, 20 to 40 of them paid 80% to 100%. In FRG and the U.K. the leave is around 28 weeks, 18 of them paid 90% to 100%. In the U.S. three fifths of the women have no right to even unpaid leave but only 10% of all families include a non-working wife (The Economist, 1986, 301, 7467:40).

40) Women are also much underrepresented in the trade union leadership.

41) The discrepancy between aspirations and their fulfillment was quite evident already in the 1970s, especially among people in the twenties and early thirties. Majority of them felt that they had more ability than their job demands (Burnstein et al. 1975: 44). One in three were interested in finding another job. They gave more importance than older people to the non-material rewards (interesting and challenging work, opportunity to do a job properly, opportunity for advancement, etc.), and felt dissatisfied if those were not offered.

42) The Canadian welfare state has considerably helped the low income families and unattached individuals to survive and even to achieve some stability through giving them the assistance, family allowance, etc. The improvement of the economic status among the low income people during the 1970s has shown itself, among others, in the faster increase of the consumer durables than among the better-off families (Household Facilities 1978).
43) The unemployment rate is particularly high among people with low education, those located in Atlantic provinces, teenagers and those working in construction. Job prospects are worse for the academic qualifications than for people with practical experience. The young people 14-24 years old constitute a quarter of the labour force but a half of all unemployed. Even if there are new job openings, over a half of them are in semi- and low-skilled occupations and the offered pay rates are 15-25 percent below the average for these occupations.

44) In 1982 in major industries only 10 percent among office workers worked over 37.5 hours and only 6 percent of non-office workers worked over 40 hours per week.

45) Discharges and quits constituted in the 1970s on average 28 percent of the annual payroll, but in mining, pulp and paper, wholesale and retail trade they were considerably higher. The rate of quits and layoffs was higher in Canada by 20 percent in comparison with the U.S., by 50 percent in comparison with France and by three times in comparison with West Germany. On average men stayed on the job only three to four years (less than one year among young men) and women stayed on job two to three years (one and half year among young women) (People and Jobs 1976). Now due to the shortage of jobs people are more inclined to stay at the present workplace.

46) Services constitute from two-fifths to a half of all employment in the Western European countries. Fewer Canadians than Britons or Germans are employed in manufacturing. From 1901 to 1973, primary occupations in the Canadian labour force have declined from 44 percent to 6 percent, and the white collar occupations have grown from 15 percent to 49 percent. In the period 1951-1978, primary industries declined from 23 percent to 7 percent, manufacturing and construction combined from 35 percent to 26 percent, while service industries grew from 44 percent to 67 percent. Private household workers have become anachronistic in the new world where labour is expensive and where households are well equipped with gadgets. Operators have also declined in relative numbers thanks to the substitution of machines for people.

47) Union membership in the civilian labour force has grown in the period 1971-83 from 27 percent to 31 percent; among the non-agricultural paid workers unionisation has grown from 35 percent to 40 percent.

48) The progressing concentration of farming creates dissatisfaction among small farmers who constitute a considerable part of the land owners, more in some provinces than in others. Thirty percent of farmers produce seventy percent of the output. For a small farmer it becomes increasingly difficult to maintain himself/herself against the big business. The same is true regarding the small businessmen who are numerous but constantly lose
in importance (Peterson 1977). Over fifty percent of the labour force in Canada work for small business (Hansard, May 30, 1977, p. 6054). The organizational structure of Canadian society depends less and less on sole proprietorships or even partnership as the types of industrial establishments. During the period 1953-1973 their share in the total number of Canadian establishments has dropped respectively from 44 percent to 20 percent and from 15 percent to 5 percent, when at the same period of time the share of corporations has grown from 38 percent to 73 percent.

49) The issues related to participation are still of a marginal importance in collective bargaining even if there are some signs of interest in the union participation in decision-making on company policy regarding recruitment, dismissal and layoffs.

50) Participation so far does not go in Canada beyond the practice of continuous bargaining within the framework of a few local union-management committees which are promoted by the government. However, there is an obvious need to considerably improve the whole system of industrial relations and therefore the interest has grown in the foreign experience.

51) For example, in Japan 25 % of the cash earning of workers comes from the bonus given twice a year (1984 data).

52) In the period 1965-85 the world trade has more than doubled. In percent of the GDP it is over 60 % in Holland and Belgium, from 30 % to 40 % in Denmark, Sweden, FRG and close to 30 % in the U.K. and Canada. In Japan it has grown from 10 % to 15 %, and from 5 % to 9 % in the U.S. (The Economist 1986, 301, 7470: 105). In the period 1980-86 the current-account in percent of GNP has grown in Japan and FRG from 2 to 4 when in the U.S. it has declined from around 0 to -3.
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