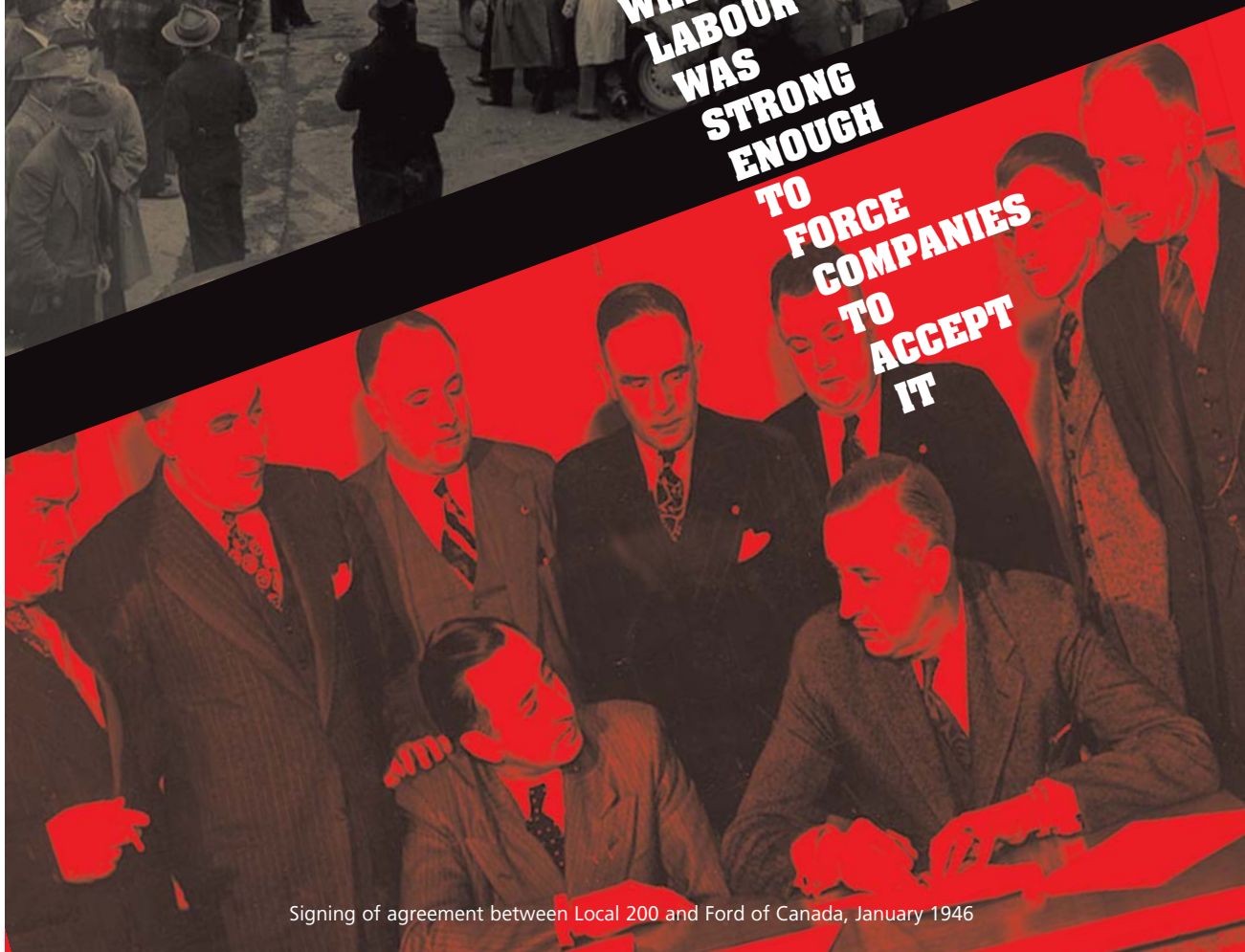
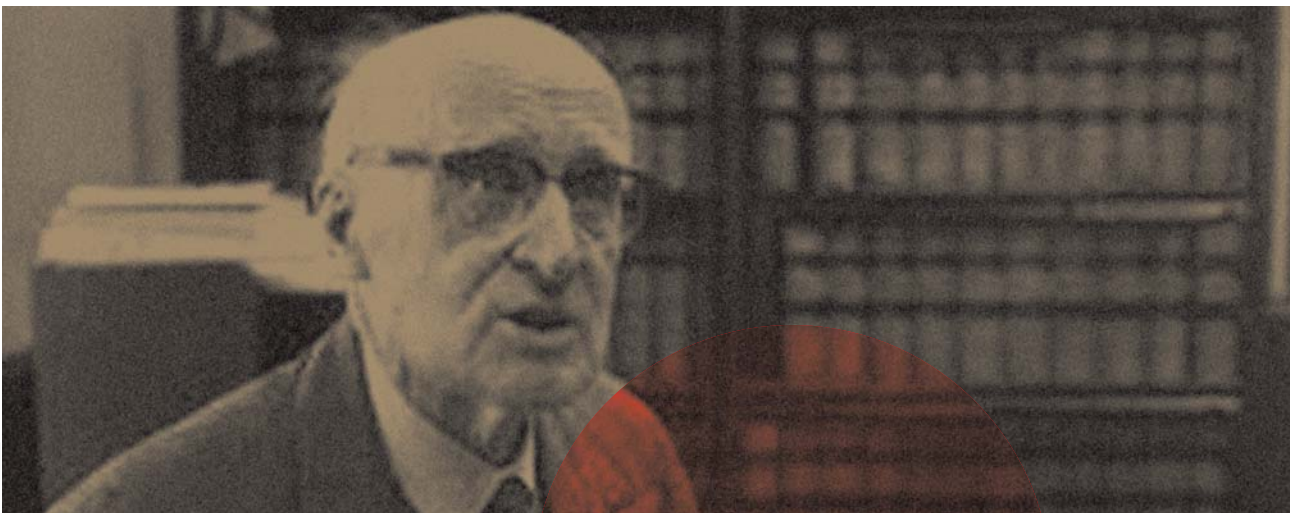


**THE
RAND
FORMULA
WAS
APPLIED
WHERE
LABOUR
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ENOUGH**



**TO
FORCE
COMPANIES
TO
ACCEPT
IT**

Signing of agreement between Local 200 and Ford of Canada, January 1946



THE RAND FORMULA 1946

Supreme Court Justice Ivan Rand

The Ford strike was settled in December, 1945, on the condition that the key issues, the union shop and the dues check-off, be sent to arbitration. On January 29, 1946, Justice Ivan Rand, the arbitrator, handed down a report that has come to be known as the “Rand Formula.” Rand’s decision did not provide for a union shop, but it awarded complete dues check-off.

The Rand decision put forward the basic principle that all who benefited from a union, whether they wished to be a member or not, must pay dues. This was to be enforced by a compulsory dues check-off. He wrote in his decision:

“I consider it entirely equitable then that all employees should be required to shoulder their portion of the burden of expense for administering the law of their employment, the union contract; that they must take the burden along with the benefit.”

Justice Rand, January 29, 1946.

With Justice Rand's decision, union security was established, and the Rand Formula rapidly became a pattern for union security in collective bargaining, not only in UAW plants, but for unions throughout the country.

The Rand Formula was applied where labour was strong enough to force companies to accept it. It quickly passed from the Ford agreement to other agreements in industries across the country. By 1949, the UAW had 40 plants in Canada covered by the Rand Formula.

SOMETHING GAINED AND SOMETHING LOST

Rand's decision was a compromise and not everyone was happy with the outcome. Before the Rand Formula, there was an extensive steward and sub-steward system within the plant. The monthly collection of dues created a close association between the stewards and the membership. The Rand Formula freed stewards from this task. This meant that

members would have less direct contact with their stewards. Hence, stewards could become more independent of the members and members could become less active in union decision making. On the other hand, the union had more resources and time to build the union and to work on the members' behalf.

The decision also outlined the union's obligation to maintain discipline among the membership and responsibility for preventing wildcat strikes. It established penalties for the union if wildcats occurred.

Rand was reinforcing the Canadian wartime regulations that outlawed wildcat strikes. This was one way that Canadian labour legislation differed from U.S. labour legislation. In the US, as a result of the 1935 Wagner Act, workers have the right to strike during the life of an agreement over unresolved issues such as health and safety or production standards. Wildcats are illegal for Canadian workers under any conditions.

It took until the late 1970s for the Rand Formula to become law in Ontario and Quebec.



Supreme Court of Canada