

# The Price of Freedom

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**T**HE communist armies of North Korea invaded South Korea on 25 June, 1950. That act of unprovoked aggression changed the whole shape of international affairs and placed our entire internal economy in a new position. As a result, we have some new economic objectives and some new economic and social problems. We must all recognize, however, that whatever new objectives and problems confront us, the ones we had and were trying to face before 25 June are still with us. In fact, nothing which happened on 25 June or since has basically changed those old problems and objectives of labour and capital, of worker and management. All that recent events have served to do is to bring them into clearer, sharper focus.

Those entrusted with the safety of the state are planning the recruitment of larger armed forces, and planning the production of substantial quantities of defence materials and equipment. In fact, some of the men have already been enlisted, and some contracts have been let.

This process has, as yet, not gone very far, and men and machines are still idle in many parts of the country. There are some who advise us not to worry about these conditions of unemployment, pointing out that very soon we shall be experiencing another scramble for manpower and machines similar to what we went through in World War II days. Nevertheless, this is something that is of immediate concern to organized labor, and something that we must worry about.

Unemployment wherever it exists and

whenever it occurs is a bad thing. For the unemployed individual and his family it means suffering. For the country and its economy it means waste. But there is something even worse than actual unemployment: the *fear* of unemployment.

No matter how active our economy may become under either peace or war conditions, or in the now developing conditions of defence preparedness, workers will continue to worry about losing their jobs. That fear—the fear of unemployment—impedes the whole productive process. The worried worker can't help slowing down on the job. The worried worker just naturally recoils from making long term plans for himself and his family. All this interferes directly with production. It also interferes directly, though perhaps not as obviously, with the demand for production.

This is not just a workers' problem. The fear of unemployment is very much akin to management's fear of loss of markets. And that fear in the mind of management also interferes with both production and the demand for production.

This age-old problem of fear in industry will dog our footsteps in the coming days of economic mobilization just as it has in the days just past, and even as it did through the days of total mobilization in World War II. We are faced with two alternatives—either we must resolve the problem, that is, remove the fear of unemployment and the kindred fear of loss of markets; or we must find a way to turn this fear into a force that can be

used to our economic and social advantage.

We—employee and employer, worker and manager—are the two necessary parts of one thing: productive and distributive enterprise. The Romans had a phrase for it: *sine qua non*—without which nothing. We are the “without which nothings” of production and distribution—of our industrial economy. Labor and capital, men and machines, are of little use when separated. The dim past, when there were very few machines, tells us that; the near past, the deep depression of the thirties, when men and machines were divorced by men and their fears, also tells us that. Together, men and machines can work miracles: the productive miracles of World War II and of the immediate post-war years tell us that.

If men and machines must work together to gain production, and we know they must, why do not labor and capital, unions and management—work more closely together toward the same end.

This, it is submitted, is not only desirable, but quite possible; that is not only within the ability of unions and management to achieve, but also one of the most pressing problems seeking solution in this period of economic mobilization. It is the purpose of this article to inquire a little into the history of industrial relations, make some analysis of present conditions as seen through the eyes of organized labor, and perhaps, finally, make one or two suggestions as to how we might go about improving industrial relations in the interests not only of workers and management but also of the whole public.

## II

**W**HAT are we mobilizing our economy to protect, and against what? We are loyal Canadians. We will go to any length to protect our country, our homes and our families. With that we can all agree. But I believe that we are girding ourselves to protect even more than that.

I would like to quote a few sentences from a statement made this summer, by organized labor in Canada, urging the unqualified support of all workers behind the

United Nations Security Council's action in Korea: “Dictators, whether they are fascist or communist, are intent upon domination. They know no goal but unlimited power. They know no method of accomplishing this end but armed force and enslavement of conquered peoples. We, as unionists, know the value of peace, of freedom, and of democracy. We also know that there are times when these things have to be fought for. There can no longer be any doubt that that time has come around again.”

The delegates attending the 65th Annual Convention of The Trades and Labor Congress of Canada, in Montreal, in September, gave that statement their overwhelming approval.

But the vote was not unanimous. A small minority voted against it. Who were they? They were the friends and willing agents of the Stalin dictatorship of Soviet Russia. That dictatorship, and the people in this and other countries who support it, do not believe in freedom. They despise personal freedom. They hate democracy. They seek to destroy democratic governments and institutions. They bore into trade unions—not to assist working people to gain a fair share of the fruits of their labor, decent working conditions, and social conditions free from fear of want, unemployment, sickness and old age—but to control and destroy those organizations in order that working people will remain poor, undernourished and depressed—the easy prey of totalitarian slave drivers. These people are trained and become very adept at using our hard-won and cherished freedoms only to destroy these freedoms and us along with them. And when I say us, I mean Labor and Capital, man and manager, alike.

We are not fighting in Korea, and mobilizing our resources at home, only to protect this plot of ground we proudly call Canada, and our homes and families. Other people in other countries have their plot of ground, their homes and families; but they lack some of the other things we enjoy and they suffer in conditions we do not. They suffer in conditions we will fight to keep out of Canada. They cannot

worship as they prefer, in the way we do: they must worship the state. They cannot assemble freely and discuss their problems as we do: they meet under the eyes of the political police. They have no free press as we have: they publish and read only what the dictatorship decrees they shall publish and read. We are fighting and mobilizing to protect our freedoms: to make absolutely certain that despotic dictatorship never controls the lives of Canadians.

Conditions are not as wonderful behind the Iron Curtain as the agents of Stalin would like us to believe. There is fear there—the fear of unemployment. But there it takes on a very cruel and brutal form. When the State doesn't need you in its regular employment, usually because you have said or done something the State doesn't like, you find yourself in a slave labor camp. And it is just as easy for a manager of Soviet industry to find his way into one of these slave camps as it is for a worker.

There are no industrial relations behind the Iron Curtain. Both manager and man do as they are told and the relationships that must exist between the two are handed down by edict from the dictatorship.

**S**O we are fighting and mobilizing our resources to protect our country, our homes, our families, and in addition, our rights and freedoms, our democracy and its institutions. We may not agree that all is well with our democracy and all of its institutions; but we can agree that any changes we may want to make will only be possible if we protect the institutions we have, and at the same time retain our rights and freedoms so we can change them in our own democratic fashion.

We are fighting and mobilizing, too, in order to protect our industrial democracy, the right to organize whether as employers or employees, the right of association in organizations of our own choice, the right to collective bargaining, the right to work under a contract freely negotiated and mutually agreed upon, and the right to strike for both sides when

agreement seems impossible. We have written these rights of management and worker into the law, and we have made government the referee of our contests of economic strength, not the all-powerful arbiter of our industrial relationships. We have made government the servant of industrial democracy, the umpire of industrial relations. We are fighting and taking our part in economic mobilization against totalitarianism in order to keep government in that position and our democracy and industrial relations strong and effective.

The price of freedom is economic mobilization; economic mobilization in Canada; economic mobilization in every country of the free world. But for every price there is a related cost. What will economic mobilization on a scale sufficient to fully protect our democratic freedoms here and abroad, to extend them, and to encourage other less fortunate peoples to also embrace them, what will an effort of that magnitude cost? And how shall we measure that cost? In dollars? Or shall we measure it in more enduring and stable things: in life, liberty and the pursuit of happiness?

For every price there is also a related return. If we pay the price, and meet the full cost of economic mobilization sufficient to protect our democracy and extend its benefits throughout our own country and to the peoples of the world beyond our borders, what may we expect in return? Shall we be richer or poorer? Shall we improve our living standards or force them downward? Shall we live a fuller life free from the fear of want, of unemployment, secure in the realization that there is a job for everyone able and willing to work, that provision has been made for those who through no fault of their own are without income, because of unemployment, widowhood disability, sickness, or old age, and that efficient medical services are available at any time they are needed by any person? Or shall we drift back into disorder and individualism, letting dismay, deception, and disaster so beleaguer the depressed among us that their fears can beat them into defenceless fragments and leave them easy prey to the

enslaving ideologies and armies of the despotic oppressor?

The alternatives are before us. We can decide here and now which return it shall be.

### III

THE history of industrial relations is a chequered one. The relations that now exist between employers and the certified bargaining agents of their employees in the bulk of industrial undertakings throughout the country are of very recent origin. Less than eighty years ago such relations were totally unknown.

Seventy-five years ago the law placed the worker in a very inferior position. At that time the Master and Servant Act provided that any breach of the law by the employer was a civil offence, but a similar breach by the employee was a criminal offence.

Not until 1872 was there a law in Canada providing that the free association of working men in their own organizations for the simple and justifiable purpose of improving their own economic and social position was not a conspiracy.

The recognition of unions occurred much more recently. Provisions in law for the certification of unions as official bargaining agents, and for the procedures under which legal and binding collective agreements may be reached and administered, came out of the impelling needs for all-out production in World War II.

Any careful study of the development of labor relations laws and collective bargaining will show two apparent truths: first, it was not labor relations laws that developed improved industrial relations, and, secondly, very little of such laws would be necessary if it weren't for a minority of recalcitrant employers and employees.

The demand for a law to provide for the conciliation of industrial disputes was made by organized labor as early as 1873. In those days working men found it necessary to go on strike in order to force their employer even to talk with them. Organized working men in those days wanted

a law requiring conciliation of disputes in order that they would not have to go on strike, but the employers of the day resisted any such move. It is true that such an act was passed in Ontario at that time, but, though it provided for conciliation and arbitration of industrial disputes, it was worse than useless because it expressly excluded wages as a matter that could be conciliated.

The first federal conciliation act of 1900 came as the result of the sweating of garment workers in Toronto. The second such federal law, commonly known as the Lemieux Act, resulted from the long and bitter strike of coal miners in western Canada. The wartime provisions for handling industrial disputes emerged in Order in Council P. C. 1003 largely as the result of arbitrary wage and manpower controls and the industrial unrest these created.

All of these and other federal and provincial laws reached the statute books because someone made a mistake. In the same period other employers were not making similar errors and relations with their employees were such that no conciliation laws were needed. A history-making example of this is in a plant in an Ontario city where continuous harmonious relations have existed between the employer and the workers' union for seventy years. The long history of industrial relations in the Building Trades is another case in point.

Good industrial relations do not develop as a result of any law. They develop where the economic strengths of the parties are in approximate equality, and negotiations and day to day consultations take place in an atmosphere of mutual respect and confidence.

Of course, there are some employers who still think that unions are harmful and hope fervently that their employees will never join one. Such employers have a right to their own opinions. But is it not true that they are ignoring the main trend in industrial relations on this continent, and, for that matter, in most democratic countries? It is also fair to suggest that they ask themselves a question similar to the one usually put to workers in organized

plants who themselves have not yet joined the union. It is pointed out to these workers, and quite rightly, that the higher wages, shorter hours and better working conditions they enjoy, along with the other workers who are union members, were not obtained as a gift, but came as the result of the union's efforts in negotiating with management on their behalf. To these workers union organizers usually say: since the union members pay dues to keep the organization functioning that provides these benefits, while you accept the benefits without any payment of dues, do you not feel that you are taking a free ride on the backs of your fellow workers? The question which any management that prefers its employees to remain unorganized, should address to itself, is this: "Since the bulk of industry is organized, and purchasing power is much better distributed and more stable as a result, creating a wider and more attractive market for the product of your unorganized plant, are you not accepting a free ride on the backs of your fellow industrialists?"

Whatever may be the answer to that question, there is plenty of evidence at hand to substantiate the assertion that industrial relations generally are improving in Canada. As a case in point, one may cite the developments in this connection in the great pulp and paper industry in recent years. Both management and unions in that nation-wide industry are to-day very proud of the good relations and harmony between them. But there is other evidence that suggests that industrial relations in some sections of our economy are in a rather precarious position.

#### IV

**I**N August, this country experienced its first nation-wide railway close-down. That word is used advisedly. The reader may say it was a strike, and in legal terms, it probably was. But certainly it must be admitted that it occurred in a most unusual way. For the negotiating groups—management and unions—were still before the government-appointed mediator try-

ing to settle their differences well after operations had actually closed down in the earlier time zone of the Atlantic area.

The railway close-down has been referred to in a whole set of superlatives. Certainly it was not pleasant for people who wanted to travel and could not, for shippers who wanted to keep up deliveries and couldn't, for consumers who needed goods and materials and could not obtain them. Certainly it was not pleasant for the owners and managers of the railways who lost revenues, or for the railway workers who lost wages and earnings. Why then did it happen?

An answer to that question is essential for the purpose of indicating the sort of pitfalls that should be avoided if we are to maintain and improve our industrial relations in the period of economic mobilization that lies ahead.

The railways derive their earnings from passenger fares and freight rates, the bulk being earned from freight rates. These are set by the Transport Board. They operate thus, in reality, rather like public utilities. This is not quite true of the Canadian Pacific Railway which has large and lucrative holdings outside of its railway operations, but, for the main purpose of this argument, we may say that our major railways are operating under public utility conditions.

If the Transport Board sets the rates too high, then the rest of the economy is required to pay too much for transportation services. On the other hand, if the rates are set too low, the railways are required to subsidize the rest of the economy.

Granting that the railways are not inefficiently operated, and that they do meet the competition of other means of transport where these are able to operate, there would appear to be some justification for their claim for higher freight rates, and the Board has allowed increases to them in recent years.

Since the days of Sir Henry Thornton, labor relations on the railways have shown evidence of gradual improvement. The possibility of a strike did appear in 1948, but a last minute settlement gave the workers a 17 cent an hour raise. However, in spite of that increase, the main group of

railway workers remained greatly underpaid. As a result of that and the continued increase in the cost of living, the fifteen international unions, through their Joint Negotiating Committee, asked for a further increase in June 1949. Coupled with this request for higher wages was a further request for a reduction in working hours to forty in a five day week.

Without extending this discussion with a lot of detail, it is important to note that, by the time the close-down occurred, the cost of living index had climbed about 10 points above what it was at the time of the 1948 wage settlement. In the face of that, the railways offered no more than a four cent increase. At the same time, the unions continued to ask for only a seven cent increase, and actually reduced that, when, on the basis of the cost of living alone, they would have been thoroughly justified in raising their wage demand above the original seven cents.

According to the Dominion Bureau of Statistics, in July, that was just prior to the close-down and the subsequent adjustment provided by Parliament of four cents an hour, the average railway worker had a purchasing power in his weekly wages that was \$2.44 less than it was in 1946.

According to the Department of Labour in Ottawa, nearly one-half of industrial workers work a five-day forty-hour week.

In other words, on the face of it, the railway workers had a perfectly good case for a wage increase and a shortening of the work week. The railway managements thought they could not meet the demands without further increases in freight rates.

Regardless of what management and the organizations of management may think about wage increases, it does seem that in honest self-interest they had good reason to counsel the railway managements to agree to the increases. Industry pays the freight rates. Industrial profits indicate a good deal of ability to pay. Two hundred thousand railway workers and their families form a sizeable slice of the Canadian market for industrial production. Industrial management would seem to have missed a bet in not suggesting that some adjustment in freight rates could be

absorbed and the impasse avoided. This is not to suggest that industrial management is to blame for the railway close-down, but rather to point out that there was an opportunity there to foster and promote the modern type of industrial relations in management's own interests.

However, events were otherwise. And now in accordance with the act passed by Parliament to restore railway operations, and further negotiations having failed to produce a settlement, the matter has gone to arbitration. The award of the arbitrator will be final and binding on all parties to the dispute.

Here is the real danger signal. While it may be argued, and with some accuracy, that the arbitration provided for in the Maintenance of Railway Operation Act is not compulsory arbitration, it is very much akin to it. While the Act is designed to apply only to this one dispute, it is on the Statute Books and can be quoted presumably at some future date when and if another impasse occurs in an industrial dispute affecting a vital industry.

## V

**C**OMPULSORY arbitration will not tend to improve industrial relations, if it is used in the settling of industrial disputes. Compulsory arbitration will hurt management as much as it will hurt unions. It will invite irresponsibility in management just as it will in unions.

This point is raised because of some suggestions in newspapers and periodicals, that tend to give voice to the management point of view, to the effect that some form of compulsory arbitration would be a good instrument for the settling of disputes in such enterprises as railways and public utilities.

What does labor think on this subject? The quotation that follows is of historic significance. It is signed by the heads of all four of the national centres of organized labor in Canada. Never before did all of these organizations join in a unanimous expression of labor policy.

"The Trades and Labor Congress of

Canada, the Canadian Congress of Labour, the Canadian and Catholic Confederation of Labor, and the Joint Legislative Committee of the Railway Running Trades wish to make it very clear to the Government and people of Canada that we all desire an early re-establishment of normal railway operations. At the same time we are unanimous in our desire to see a fair and reasonable settlement of all issues in the dispute. We do not believe that such a settlement can be brought about by compulsory arbitration. We are determined to do all that we can to forestall any such procedure being accepted as a practice in the settling of industrial disputes in Canada for railway, public service, or any other group of employees under federal jurisdiction.

"We are unalterably and unequivocally opposed to compulsory arbitration for the following reasons:

1. Compulsory arbitration removes the sense of responsibility which both unions and management have developed. But it is collective bargaining which has developed this sense of responsibility. Compulsory arbitration means the end of collective bargaining. Neither management nor unions will bargain in earnest when they know that the decision will ultimately be taken out of their hands. Responsibility will be shifted from the parties to a Government-appointed tribunal, and both parties will be encouraged to make extravagant demands accordingly.

2. Compulsory arbitration is no use unless the awards can be enforced. This might require substantial police action to make the workers remain on the job and work. Who will do the enforcing? How? We will not accept the police-state even in this embryo form.

3. Compulsory arbitration would, in most cases require the appointment of arbitrators by the government. Experience suggests this would generally mean judges. Our judges are eminently qualified for their normal work. But, with few exceptions, they are not equipped to deal with the complicated matters involved in most industrial disputes. They are usually drawn from a sector of our population which has little or no knowledge of workers' prob-

lems. Those who are appointed to sit in judgment on such matters ought to have a knowledge and understanding of labor-management problems.

4. Compulsory arbitration would lead to illegal and wildcat strikes. Negotiated settlements are accepted because they reflect the will of the rank and file. Imposed settlements involve submission not acceptance. This will lead inevitably to industrial unrest.

5. Compulsory arbitration puts industrial relations into the arena of politics.

6. Compulsory arbitration will not work. Australia has had it for 46 years. Australia has a smaller population than Canada. But, in 1948, the last year for which complete returns are available, the number of strikes and lock-outs in Australia was 1,141. In Canada, it was only 154. The number of persons directly affected in Australia was 301,025, while in Canada it was only 42,820.

"In Canada, in 1949, the total number of strikes and lockouts was 137 and the total number directly affected was 51,347. Australia, in the first nine months alone, had over 600 stoppages, with more than 227,000 persons directly affected.

"These are the reasons why we oppose all legislation seeking to establish compulsory arbitration as a basis for settling industrial disputes.

"Our present labor laws have brought a wide measure of industrial harmony. We want that further improved. Until now we have never experienced a nation-wide tie-up of our railways. This is the first. Crises call for cool heads. Government and Parliament should not allow this one case to drive them in panic into drastic, repressive legislation from which all, labor, management, and ordinary citizens will suffer for generations to come."

## VI

THE wages of railway workers have fallen far behind since 1946. It has been suggested that the railway unions are led by irresponsible men because these workers through their recog-

nized organizations have been attempting to obtain wage increases in order to recapture their lost purchasing power. The argument that has been generally used against the granting of reasonable increases in wages to railway workers is that such increases will result in higher freight rates leading eventually to higher costs throughout the entire economy and serve to further invigorate the upward spiralling of prices.

Whatever truth there may be in that contention, it cannot be denied that costs and prices are already up, and that railway wages must be increased if railway workers are to maintain their standard of living. Maintaining their standard of living is unquestionably essential. But why should they not improve that standard?

**C**ONTINUATION of rapid price rises will not assist us in any large scale mobilization of our resources for defence purposes. In fact, a rapidly rising cost of living will be a severe deterrent to any efforts we may put forward in this respect.

From the standpoint of organized labor, stabilization of prices is desirable. But whenever the request is made for price control, the immediate reaction from certain quarters is that labor should recognize that this would require wage control as well.

Let us look at this matter quite fairly and squarely. How many times have wages been increased before prices had advanced and a rising cost of living had driven the buying power of actual wages down? It is not easy to cite any such examples. The experience of workers generally has been that wage increases always are obtained some time after prices have risen, after the cost of living has gone up. In fact, wage workers often get the feeling that they can never catch up with rising prices. That is why they persist in asking for price control.

There are now literally thousands of annual wage contracts in effect throughout Canada. These contracts fix wages for the life of the agreement, which generally is one year. That means simply that there already exists a great deal of wage control.

In the opinion of organized labor that type of wage control is the best that has been devised. It is the best because these contracts were reached in free negotiations, and represent an actual agreement reached between the two parties to the contract. Responsible people—responsible union representatives and responsible management representatives—made those agreements, having compromised their differences and reinforced their common aims in the light of the facts of their own industry or business.

Organized labor wants that bargaining process leading to binding agreements continued, improved where necessary, and extended as far as possible throughout our entire economy. Thus, when it asks for price control, it is very definitely not asking for any type of wage control which will automatically weaken the bargaining process.

Perhaps the words *price control* should not be used. The Trades and Labor Congress of Canada has tried to get away from them, and to employ the words *price stabilization*.

What organized labor believes to be in the best interests of our economy, and the best interests of working people as well as the consuming public, is the greatest amount of stability in our economy. The thousands of wage contracts that now exist are a very definite stabilizing factor. A similar device, it is believed, should be used to stabilize prices: a device which would require negotiation of price changes in much the same way as wages are negotiated.

How can one provide for the negotiation of prices? We can easily see and understand the negotiation of wages. The two parties—management and union—are in close contact with each other, forming two indivisible parts of the same enterprise. Prices, on the other hand, involve a party not connected with the enterprise, but that party is the consumer, and, in effect, is the most important part of the whole economy. And, since we are all consumers, why cannot a Board, representing us all, act on our behalf in the negotiation of prices.

Consider the submission of The Trades



and Labor Congress of Canada on this matter to the Committee to Study the Combines Act under the chairmanship of Mr. Justice MacQuarrie:

"What workers want is continuity of employment and income, and with that an increasing standard of living.

"The ups and downs, or as we have come to know them, the booms and busts, of an uncontrolled economy are never in the interests of the wage earner. Continuity, at an even pace, is what is required to produce the conditions in which workers and their families can be better housed, better fed, better educated, and enjoy more leisure. That means an even trend in prices as well as in other closely related factors. It also means an even trend in wages and incomes. And to-day wages for most workers in industries are known a year in advance.

"We are not asking for the complete control of the economy. We believe that certain controls and types of controls can be introduced and operated in a way that our economy will be freer from the standpoint of the whole public than ever before.

"We submit that wages are already more stabilized than any other single factor which is contained in the total consumer price paid for any commodity or service. The control is not a rigid one. We do not believe that it should be."

Our submission then went to say that "a sound and effective price control could be imposed and effectively administered in the interests of the whole public." And to do this, we said, "would require certain fairly direct and simple obligations to be imposed upon those who establish prices."

Then in the same submission, it is stated:

"The positive approach to price control is a Price Control Board with sufficient powers to require all price changes to be reviewed by it before they are placed in effect. With periodical publication of the agreed prices by the Board, and with adequate representation of wage earners and consumers on the Board, the consuming public as well as the merchants and manufacturers should be very effectively protected."

It is fairly evident from the statements I have just quoted that, when The Trades

and Labor Congress of Canada asks for the reimposition of price control, it is not thinking of the arbitrary measures of control we had during World War II. What it is asking for is a stabilization of prices through negotiation in about the same way as stabilization of wages has been achieved through collective agreements.

Stabilization of prices must be made effective if we are to have any reasonable success in mobilizing our resources for defence. Organized labor believes that this should be our very first objective.

## VII

AT least a few hints have been given in this article as to what organized labor believes is the direction in which we should move to maintain and improve sound industrial relations. At the same time, the good approaches have been suggested, by indicating possible bad ones, in such instances as compulsory arbitration taking the place of responsible collective bargaining, and runaway prices upsetting the stability we have developed through thousands of wage contracts. It would now be appropriate to round out the argument by dealing with what is probably the most important matter to be considered, the most deep-rooted and perplexing problem seeking our solution. In general terms the question is this: *What about the problem of fear in industry?*

Fear in industry has two parallel parts: fear by management of loss of markets; fear by workers of unemployment. Along with these is associated the idea that men must work earnestly and efficiently, and keep their jobs, lest they find themselves unable to support themselves and their families.

These fears are very real. These fears have been used to gain production for many generations. To-day we are faced with new and compelling needs to further increase production. Can we do it by just relying on these old and persisting fears?

There was a time when men worked because they liked what they were doing. They found a delight in their work. They found an opportunity of expressing their

own individual personalities in the products of their own hands. Mass production has changed all that. How can you become enamoured of your work and your craftsmanship when all you are required to do is to turn the same nut on the same bolt every few minutes of every day?

This is a problem for management. It is also a challenge to unions. The working out of a practical solution could provide some of the common ground upon which management and unions could cooperate effectively within an atmosphere of confidence and mutual respect.

There is a story told about two workmen who were questioned by an interested on-looker while St. Paul's was being built in London. It goes something like this: the question was asked of the first workman: what are you doing? I am cutting stone for a living. The same question was then addressed to a second workman nearby engaged at that same job. But he replied, I am helping Sir Christopher Wren build a great cathedral.

If we can achieve that attitude and approach to jobs in industry, we shall not have to spend much time worrying about absenteeism. We shall have to spend much less time wondering how to increase and improve production. As workers, we shall be much happier in our jobs, and take a new and greater interest in what we are doing. And fear, as a means of making people work, will have been replaced by something much stronger and more effective.

But we shall still have to worry about loss of markets and loss of jobs. The fear of unemployment will remain.

**C**AN we remove the fear of unemployment?

My answer is: yes. Let me explain.

Most of the fear of loss of markets arises from our inability at salesmanship. Most of us, whether we ever admit it, know that we are very poor salesmen. That is one reason why, in all fairness, we rather like to be entering a period of large-scale economic mobilization; we know we will get orders whether we are very good salesmen or not.

Most of the fear of unemployment arises

from our inability to admit the soundness of the basic insurance principle; the correctness of the law of averages. We buy insurance as individuals and feel we have made a good bargain, but we tend to refuse to carry the same principle into our national economic life. Though we have been buying insurance of many kinds for generations as individuals, we took a very long time to agree to provide insurance against unemployment. To-day we are all very happy that we have a sound and functioning Unemployment Insurance Commission with hundreds of thousands of workers covered by the national scheme. That scheme, however, only provides help after the unemployment occurs. It does not remove the fear of unemployment itself.

Perhaps we have not given enough thought to the fact that two of the prime energizers of humanity are love and fear. It has become almost a world-wide project in recent years to sell love on a mass basis. It has been traditional with us to use fear, however, on an individual basis. As practical people greatly concerned with increased production and the sort of industrial relations that are most likely to encourage and assure that productive effort, perhaps we should inquire whether that is the best way in which these strong motives should be applied.

There is no doubt that when love is applied on an individual basis it works wonders. The home and the family and all of the enduring virtues stem from that use of love.

However, we have taken a statement, "Love thy neighbour as thyself", and applied it on a mass basis. Are we right in doing that? I suggest that the answer is first in the fact that the original exhortation was not made to deal with mass action, and secondly it is in the poor showing we have made in trying to apply the idea to the mass.

The exhortation, "Love thy neighbour as thyself", was made to people who were to apply it as individuals to individuals. The experience of any one of us, I am sure, is that when we do love our neighbour as an individual it does work wonders.

Fear, on the other hand, when applied

to the individual makes him cringe, and worry. It divides his attention, and reduces his effectiveness. But, apply fear to the mass, and, again, wonders are performed. Mass fear has made economic mobilization a reality.

What we need to maintain full employment and a stable economy in which our working and living standards can be improved is a continuous goad. Stalin goads us to-day. To-morrow, when we are rid of him and the threat of his enslaving totalitarianism, we shall need another. What form it will take, no one can say—but we shall need something to create an urgency which will goad us on to greater and more efficient use of our skills and our resources.

Perhaps, as practical men, we need not worry too much about that. Perhaps Cicero was giving voice to an enduring principle of human experience when he said, "The tyrant is dead; the tyranny lives on." But, whatever happens, the greatest problem of industrial democracy is to create an enduring urgency under which full production and employment can be maintained.

**O**RGANIZED labor wants a free Canada and a free world in which there will be employment at adequate pay for all people able and willing to work, in which all people can be secure in the knowledge that provisions have been made for those who through no fault of their own are without incomes because of unemployment, sickness, widowhood, disability or old age, in which efficient medical treatment is available to all without cost at time of need, and in which all may live a fuller, happier life in good homes free from the fear of want.

We are fighting for these necessary improvements at home through our national

and local organizations. We are fighting for them in the international field through our international organizations: the International Labor Organization, and the International Confederation of Free Trade Unions.

At this moment, as we enter a new economic phase in Canada, organized labor takes the stand that the road to successful operation of our defence preparedness programme is the one which makes the greatest use of the ways we have tried and proven in the past. Responsible management working with responsible unions in an atmosphere of mutual respect and confidence will produce the best results. Under these conditions, we shall achieve the maximum production. Under those conditions, our democratic institutions will emerge stronger than ever before.

Democracy is no longer the frail flower it once was suggested to be. Democracy is that set of checks and balances within the nation that prevents any one group from becoming all-powerful. Democracy has increased in strength and endurance as the people themselves, and finally all people, have become organized into their own groups. Democracy can only be destroyed by destroying some of these groups.

Organized labor is one of these groups. Organized employers are another. Mutual respect one for the other is the surest safeguard for our democracy, and the surest bulwark against any threat of enslavement and domination by any tyrant.

To lie down together, as someone has put it, as the lion and the lamb, is not the answer. That would be but an indication of weakness. But as two strong towers we can support and insure our growing industrial economy and make certain that our democratic institutions and our way of life shall endure through any storms that may beset it now, or in the future.