

Industrial Relations and Social Security

Joint Labour-Management Committees in Canadian Industry

by D. B. CHANT

IN the past year or two a great deal has been heard about joint committees in industry. A fairly large and steadily growing mass of material has become available dealing with such committees and the results of their operation in Great Britain, in the United States and to a lesser degree in Canada.

The International Labour Office has issued a number of comprehensive reports which go rather thoroughly into the origin history, purposes, functions and achievements of such committees, particularly in Great Britain and the United States. The War Production Board in the United States also issues a series of factual bulletins citing accomplishments in stepping up production of essential materials and goods for war purposes which were made possible by the work of joint labour-management committees in American plants. Some of the production increases described in these releases are truly amazing: all are important.

In Britain, the Amalgamated Engineering Union, a labour organization with more than 600,000 members in the most vitally important war industries, made a survey of 740 separate plants employing 900,000 persons to find out how much workers had contributed to greater production by their suggestions.

In those plants where there were no labour-management committees it was found that suggestions and ideas from workers had been responsible for production increases of 6.2%, while in 160 plants employing 270,000 persons, with joint committees in operation, production increases of 34.5% had resulted from suggestions originating with workers and developed by the committees. That is a

difference of more than 500% in the flow of actually usable production suggestions.

Just a few random examples may be given for Canadian firms:

Two aircraft workers proposed an extremely simple procedure which eliminated a great deal of "stock-chasing" for parts, saving 360 man-hours per week; equal to the full time of 6 or 7 workers.

Drawing on previous experience in a totally different industry, another bright lad was able to propose a device which saved 2925 man-hours of tedious hand labour per month in his plant.

Another, by designing a new type of tool, avoided 75% of the rejections previously coming from one operation, thus saving a tremendous quantity of valuable semi-finished material and preventing the continued waste of skilled man-hours.

All these examples relate, however, to increased production or improved productive efficiency or economy. Joint labour-management committees possess other potential values which are less easy of measurement but may prove no less important in the broad picture of industrial effectiveness on which so much depends in winning the war and securing the benefits of the peace.

In sponsoring these committees in Canada and in urging their development through the National Selective Service set-up the Government was actuated by the belief that their operation generally would go far toward improving industrial relations by helping to bring about better mutual respect and confidence, all of which are essential ingredients, along with good-will and sincerity, in good, sound, workable and proper relationships in industry. It is felt that better industrial relations would assist in:—

1. Reducing waste of manpower through absenteeism, labour turnover, disputes, strikes and slowdowns.
2. Improving productive efficiency.
3. Increasing production volume.
4. Securing a readier acceptance of controls and restrictions of individual liberty of action by facilitating better understanding of the necessity for them in war-time.
5. Preparing for the difficult problems of post-war reconstruction and rehabilitation by developing now to the fullest possible

extent the habit of cooperation and the mental attitude necessary to their successful solution.

Notwithstanding the strong belief in their value and usefulness, it was felt to be undesirable to make such committees compulsory. Nor was it thought wise to propose a ready-cut plan for them. The former might achieve quality, but would be quite unlikely to beget quality. Cooperation, to be effective, must spring from a genuine wish to cooperate. It cannot be forced into being or driven into more intensive action. On the other hand, no blue-printed plan could possibly allow for the many differences and peculiarities between plants and companies. Apart from everything else, the variation is so great with regard to unionization of workers in Canadian industry that any plan contemplating either full union recognition or a complete lack of it would be bound to fail to suit the actual situation in a large number of plants. And that is not by any means the only characteristic variant between different establishments in the same industry or in the same geographical area. What has been well called the "personality" of plants or companies has a distinct bearing upon the question and cannot safely be disregarded.

Despite the absence of a "drive" for the formation of these committees in Canada, a good many of them have come into being in the past 9 or 10 months. Quite recently, the Minister of Labour, in reply to a question in the House, reported that 631 such committees are now in existence in this country, which is not a bad score, all things considered, but still far short of the number there should be to make them the rule rather than the exception in Canadian industry.

To assist in co-ordinating the activities of different departments of Government aimed at the common end of encouraging the development of joint committees and to give added impetus to the entire movement, an Inter-departmental committee has been formed in Ottawa, as announced not long ago by the Ministers of Labour and of Munitions and Supply, jointly. It consists of three men: H. J. Carmichael,

Director-General of Production, (Department of Munitions and Supply), M. M. Maclean, Director of Industrial Relations (Labour) with H. C. Goldenberg, Director-General of Economics & Statistics (DMS) as Chairman. In future all official activity looking toward the extension of the program for joint labour-management committees will be carried on under the general direction of that committee and plans are being worked out for giving practical aid in the formation and operation of such committees wherever this is needed.

Significant as an indication of the thoroughness of the planning in this regard is the advisory body already formed to aid this inter-departmental committee. It consists of representatives of organized labour (Trades & Labour Congress, Canadian Congress of Labour and Federation of Catholic Workers) and of organized employers (Canadian Manufacturers Association and Canadian Construction Association) with the addition of other interested groups provided for, if found necessary.

There is no apparent intention on the part of this committee to depart from the general principles hitherto followed in encouraging the formation of joint labour-management committees and, in fact, the advisory body has approved those principles and urged that they be adhered to, but the official Governmental blessing given the entire program by the creation of the inter-departmental committee can be expected to produce greater activity and speedier results.

As has already been said, there has been no attempt to develop a ready-made committee plan for universal adoption in Canadian industry. Each plant is urged to work out the details of its own scheme to suit its own peculiarities and conditions. Certain general principles were, however, adopted as applicable and desirable everywhere. These are based upon the best information available on what has been proven to be sound practice in Britain and the United States and it is thought that it would be most unwise to depart from them in Canada.

They are few in number, basic in character and general in application so as to serve as the framework around which each plant can erect its own details in evolving the plan best suited to the ideas of its workers and management. The importance of adhering strictly to these basic principles in setting up joint committees is such that they can hardly be over-emphasized or too often repeated. They are as follows:—

- (1) Labour representatives should at least equal in number the management representatives and should be *bona fide* employees below the rank of foreman.
- (2) Labour representatives should be chosen in a democratic manner by secret ballot in a free election by the workers they are to represent.
- (3) Representation should be by departments, natural divisions of the plant or according to some other reasonable arrangement of "constituencies" rather than "at large" from the entire working personnel.
- (4) Powers of committees should be advisory and recommendatory only and *not* executive. Management should, however, recognize the obligation to examine all proposals and recommendations of committees with care and consideration and to give a reasonable explanation in case of non-acceptance.
- (5) The committees of any one plant or company should be separate in all respects from those of any other plant or company.
- (6) There should be no third party in the operation of the committees.
- (7) Wages, hours and conditions of work and similar matters which are ordinarily regarded as subjects for determination by collective bargaining procedures should not be dealt with by the committees.
- (8) Where machinery exists by agreement or by recognized custom or otherwise for the handling of grievances, the committees should not assume that function or interfere with the orderly operation of such machinery.

As the scope and functions of the committees are not defined except in the negotiations covered in items 7 and 8, it may be helpful to suggest somewhat more directly the nature and range of subjects with which such committees ought to deal. That can very appropriately be done by quoting the following list of subjects included specifically in the formal constitution of a plan for joint labour-management committees in a large Cana-

war-production plant, as coming within the proper scope of the committees and seemingly quite acceptable to both the workers and the management in that plant where these committees have been operating successfully for several months.

- (a) Changing of obsolete practices.
- (b) Conservation of materials, tools and equipment.
- (c) Elimination of waste effort, unnecessary planning or routines.
- (d) Adherence to standard methods.
- (e) Fullest utilization of capacities and skills of personnel.
- (f) Protection of personnel and plant.
- (g) Efficient transportation of materials, personnel and products.
- (h) Improvement of design and use of tools and fixtures.
- (i) Simplification of handling, storing and moving materials and products.
- (j) Promotion of fuller understanding of the common interests and objectives of labour and management.
- (k) Reduction of absenteeism from all causes.
- (l) Promotion of educational, recreational and welfare activities.
- (m) Support of war finance activities.

The frequent use of the word "production" with reference to these committees in general discussion has carried with it a certain amount of misunderstanding as to their actual purposes and functions. Many seem to give an extremely narrow interpretation to the word "production" and to think, therefore, that only matters directly and closely connected with actual production should be handled or discussed by these committees. Experience has shown this to be both impractical and undesirable. The interpretation has to be broad enough to cover everything of mutual interest to labour and management, except those matters ordinarily handled by the collective bargaining machinery.

Quoting from an ILO report:—

Other questions that have been dealt with by production committees are special problems arising out of the training of newly engaged workers, particularly women; arrangements for the solution of shopping problems of married women workers; and in general arrangements for better transport, canteens and other matters relating to the workers' comfort, which have affected the output of factories.

Under the Essential Work Orders, production committees have been particularly charged with questions of absenteeism and with examining the individual cases as well as considering the general methods of preventing unnecessary absences or persistent lateness.

One development of these committees in the United Kingdom which should hold more than general interest in Canada's mining areas is to be found in their extension into the coal mining industry, where "Pit Production Committees" have been set up in many collieries with excellent results, according to various observers of their work. The Minister of Fuel and Power has stated that he "regards pit production committees as an extremely important part of the organization of the coal industry", and that "it is the Government's intention that pit production committees should have an effective voice in dealing with all matters relating to production, with, of course, the proviso that the statutory responsibility of a manager for safety within a mine must stand".

Communications issued by the Ministry of Fuel and Power through its Regional Controllers include specific suggestions as to subjects to be dealt with at the weekly meetings and the Pit Production Committees are looked upon as valuable and effective factors in securing satisfactory coal production.

Fifth Maritime Conference on Industrial Relations

Some eight representatives of Maritime industries attended the Fifth Maritime Conference on Industrial Relations which was held at the Nova Scotia Technical College on April 15 and 16. The Conference, which, as in past years, was sponsored jointly by the Institute of Public Affairs at Dalhousie University and a Committee of leading industrialists, was concerned with the problems of industrial organization and social security.

Mr. D. R. Turnbull, General Manager, Acadia Sugar Refining Co., Limited,

Halifax, presided over the opening session. The first speaker was P. C. Armstrong, Canadian Pacific Railway Company, Montreal. He had for his subject "Canadian Industry in the Fourth Year of War." He was followed by D. B. Chant, Department of Munitions and Supply, Ottawa, who discussed the policies of the federal government with respect to Joint Production Committees of labour and management. Mr. Chant pointed out the benefits to be derived from these committees in the way of increased and more efficient production.

Hon. L. D. Currie, Minister of Mines and Labour for Nova Scotia, was special speaker at Thursday's luncheon meeting. He spoke on the underlying causes of industrial friction and ways and means of avoiding it.

The afternoon session, under the chairmanship of R. J. R. Nelson, General Manager, Halifax Shipyards, was devoted to the second aspect of war-time industrial organization—the problem of personnel. The first speaker, A. C. Cook of the Dominion Department of Labour discussed job analysis and placements methods. He was followed by E. K. Ford, also of the Dominion Department of Labour, whose illustrated paper dealt with the training of supervisory personnel.

The final session, presided over by S. C. Miffen, Dominion Steel and Coal Corporation Limited, Sydney, was given over to a consideration of social security. Dr. George F. Davidson, Executive Director, Canadian Welfare Council, Ottawa, discussed the Beveridge and Marsh Reports against the background of Canadian conditions. He was followed by Dr. Mollie Ray Carroll, Social Security Board, Washington, who gave a paper on "Social Security in the United States." The last speaker was Miss Susanna Larguia, Buenos Aires. Her subject was "Social Security in Latin America."

The conference was brought to a harmonious end at a luncheon meeting which was presided over by D. R. Turn-

bull and at which Dr. A. Stanley Walker, President of King's College, spoke on "The Future of Industrial Democracy."

A highlight of the Conference was the announcement of the formation of a permanent Bureau of Industrial Relations. The Bureau will undertake certain studies of industrial problems in the field of industrial relations. Its research and other facilities will be at the disposal of Maritime industries.

A new slate of officers for the coming year was elected. The chairman is D. R. Turnbull, General Manager, Acadia Sugar Refining Company, Limited, Halifax, while the committee consists of the following: R. E. Dickie, Canadian Lumber Co., Limited; H. W. L. Doane, Standard Paving Maritime Limited; J. B. Hayes, N. S. Light & Power Co., Ltd.; J. H. M. Jones, Mersey Paper Company; T. C. Macnabb, Canadian Pacific Railway Company; S. C. Miffen, Dominion Steel and Coal Corporation Limited; E. B. Paul, Dominion Coal Company; W. A. Winfield, Maritime Telephone & Telegraph Co. Limited, and Dr. L. Richter, Dalhousie University (Secretary).

Personnel Association for the Maritimes

A Personnel Association for the Maritimes has been formed following the example set by similar organizations in Ontario and Quebec. The plan grew out of a Course in Personnel Administration which was held last winter under the auspices of the Institute of Public Affairs at Dalhousie University.

The official name, Maritime Association for the Advancement of Personnel Administration, is also indicative of the purposes of the group. Membership is open to officers and officials engaged in personnel work in Maritime industries. At present thirty odd persons have become members.

The President of the Association is S. C. Miffen, Dominion Steel and Coal Corporation, Sydney; Vice-Presidents, A.

S. Farrell, Canadian Car and Foundry Co., Limited, Amherst; and J. D. B. Howard, Bathurst Power and Paper Co., Bathurst; Treasurer, A. J. Baker, Imperial Oil Limited, Dartmouth; and Professor L. Richter of Dalhousie University functions as Secretary. The office of the Association is located at the Institute of Public Affairs at Dalhousie University.

The Marsh Report and the National Health Plan

While these lines are going to press two important measures meant to improve the welfare of the Canadian people are being discussed in Ottawa by the newly formed Social Security Committee of the House—Dr. Leonard Marsh's Report on Social Security and Honourable Ian MacKenzie's National Health Plan. The text of the documents has not yet been published though a more or less detailed outline of their contents has been carried by the Canadian press. What recommendations the Parliamentary Committee will adopt and what final legislation, if any, will result during the present session, is still uncertain. That the documents though open to criticism in some respects would greatly improve existing social services, there can be no doubt. As soon as their ultimate fate can be foreseen more clearly the Marsh report as well as the National Health Plan will be made the subject of special articles in this journal. At present only a few introductory remarks may be allowed.

The Marsh Plan is not, as many people seem to think, a formal bill. Drawn up by a scholar on the request of the government and not committing anybody except the author it is used as a basis for discussion before a Parliamentary Committee. It shares this fate with the famous Beveridge Plan in England which has been described in several articles in the recent Reconstruction issue of PUBLIC AFFAIRS. Beveridge's influence is also recognisable in many of the proposals which Marsh puts forward: health services for the entire population, insurance

against loss of wages for which the insured person is not responsible, be it due to unemployment, sickness, invalidity or old age, federal contributions to the cost of raising a family by the granting of family allowances.

But it is not quite correct to call the Marsh Report as is often done "a Canadian Beveridge Plan." Sir William's main objective, a uniform, coherent and all embracing system of social insurance based on one single contribution, has no counterpart in Dr. Marsh's plan. Admittedly such an ideal is difficult of achievement owing to our constitutional setup.

The National Health Plan has, like the Marsh Report, not come before Parliament in the form of a bill, though government whose officials have during the last two years been engaged in preparing the plan is perhaps more closely identified with its proposals than with those of the Marsh Report. The main part of the document deals with public health. While responsibility is to remain with the provinces, the Dominion government proposes to assist them with conditional grants-in-aid. Such grants would be provided for the principal divisions of public health work, namely tuberculosis control, mental illness, general public health work, venereal disease, professional training for public health physicians, engineers and sanitary inspectors, special public health investigations. Besides a program of physical fitness for youth will be put in operation; it will be embodied in a special bill to be introduced in the present session. It is expected that the federal contribution towards all these services will amount to \$7,000,000.

These grants for public health will be available to the provinces only under the condition that they set up a provincial system of health insurance. The scheme is to be financed by contributions of the insured persons, the employers, provincial government and again by federal grants-

in-aid. Provisions for the services to be maintained under the scheme are left to the provincial governments but must be similar in character to a model which is part of the health insurance plan now before the Parliamentary Committee. Criticism will have to wait until the details of the plan are better known.

Progress in War Emergency Vocational Training

Excellent progress has been made during 1942 in war emergency training under the Dominion-Provincial program according to a report just received from Ottawa.

Total enrollment in 1942 was 119,478, of which 23,871 were women. The number of men almost doubled while the number of women was seven times the number given training in 1941.

Of the 1942 total, 23,774 were in courses to provide basic training for enlisted R.C.A.F. personnel, either to qualify them as tradesmen or to qualify for entrance to aircrew schools. Of these, 15,316 completed their courses, as compared with 6,334, in 1941.

Full-time industrial classes were attended by 40,353, a gain of 25% over 1941. More than 40% of their pupils were women, as against 11% in the previous year. 30,452 completed their courses and were placed in employment; in 1941 the number was 18,378.

Part-time classes last year served 16,884—eight times the number for the year before.

Two important new developments in the War Emergency Training Program were made during 1942. One was the establishment of plant schools, to give trade instruction within industrial plants. 64 schools of this type were set up, and of the total enrollment of 7,036, 4,787 students had completed their courses and were engaged at production work by December 31.