

## The Maritime Conference on Industrial Relations in Saint John

By AIDA B. McANN

WE all (capital, labor and management) have the same interest: *we want the mill to run.* Any differences we may have are concerned with method only," stated Professor F. A. Magoun of the Massachusetts Institute of Technology, in opening his address to the Maritime Conference on Industrial Relations, held June 25 last, in the Admiral Beatty Hotel, Saint John, N.B.

Differences in method for making the mill run, as suggested by the various speakers and many members participating in the discussions, proved surprisingly slight. There was unanimous recognition of the need for greatly increased co-operation between management and labor, as well as a real desire to make business justify its existence not only as a profit-making enterprise, but as a means for the satisfaction of human needs. E. D. Hildebrand, Assistant Vice-President of the Bell Telephone Company of Canada, Montreal, emphasized this desire when he urged the adoption by every industry of a clear-cut statement of policy (backed by action) which would satisfactorily answer the question in the mind of every intelligent employee: "What is this Company in business for—to make as much money as possible—or to give its workers and the public a fair deal?"

Planned by the Maritime Bureau of Industrial Relations under the direction of Dr. L. Richter of Dalhousie University, the Conference program was comprehensive, practical and inspiring. Local arrangements were in charge of Mr. T. C. Macnabb, General Superintendent of the Canadian Pacific Railway, Saint John, who extended a welcome and

provided a hospitality worthy of the best traditions of the old Loyalist City to those participating in the first such Conference to be held in New Brunswick.

The first speaker, R. P. Jellett of Montreal, President of the Canadian Chamber of Commerce, had as his topic "The Canadian Economy in the Fourth Year of the War". Comparing Canada to a vast business enterprise which he termed "The Dominion of Canada Unlimited," Mr. Jellett said that though debts had doubled since the war began, there were assets to offset this increased liability. These he enumerated as (1) a vast increase in productive capacity; (2) a tremendous advance in industrial techniques and in the skills of workers, (3) a better balance between industry and agriculture; (4) a broader and deeper sense of individual responsibility as the sale of Victory Bonds puts Canada more and more on a "customer-owned" basis; and (5) the enthusiasm and cooperation of management and labour without which neither the industrial expansion, nor the transformation of the economy from a peace-time to a war-time basis would have been possible. Already during this war, Canada has doubled its capacity to produce, and in order to insure post-war prosperity, normal business should be twice what it was in 1939. The task, he said, is two-fold: to avoid mass unemployment, and to raise Canadian standards of living. The real challenge, he said, is the means by which this two-fold goal is to be achieved because Canada has both the productive capacity and the resources to maintain full employment. Encouraging a "continuance of some measure of Government expenditure of the public works variety" during the transition from war to peace, Mr. Jellett advocated the establishment of a proper balance between government and private enterprise; a taxation plan favorable to business efficiency; fair international trade agreements; exchange stability, and some workable international currency plan.

Though crediting the government with

EDITOR'S NOTE: Aida B. McAnn, M.A. (Columbia), is a well known writer on Maritime Affairs.

A comprehensive report giving the text of all the papers delivered at the Conference is being issued as a special bulletin of the Maritime Bureau of Industrial Relations. Copies may be obtained on request from the Office of the Secretary of the Bureau in Halifax.

a good war finance program, Mr. Jellett pointed out that the danger of inflation was ever present. He characterized government functions in the wartime economy as "necessary but negative, largely those of prohibition, restriction and control." He felt that private enterprise had been largely responsible for "the developments in production that have been such an impressive part of our war effort"; and that in the post-war era individual initiative would continue to furnish the "dynamic positive developments in production which provide the only real basis for enduring prosperity"

Interesting statistics quoted by Mr. Jellett in the course of his address included the fact that Canada is now the third largest trading nation in the world; that the cost of living in this war has so far risen only 16.2% as compared with a rise of 44.4% in the same length of time during the last war; that more than 50% of all goods produced are now used for war purposes as compared with 10% in the last war; and that retail sales in Canada have risen 62% since August, 1939, as compared with a 48% rise in the United States.

Commenting on social security plans currently mooted, Mr. Jellett maintained that in a country like Canada social security could be adequately supported only by increased production and reduced costs. "The government does not pay the cost of social security," he said, "nor does the employer. All the costs come right on the goods!" Consequently, in view of Canada's dependence on international trade, he felt that there might be definite limitations on "the relative degree of legislative social security" that could be undertaken.

The next speaker, Professor F. A. Magoun of Massachusetts Institute of Technology, attacked the problem of improving industrial relations, not from the standpoint of economics, but from his extensive knowledge of how the human machine works. Whatever the problem presented, he suggested that the proper question for the employer to ask himself is "What must I do to *myself*?" Re-

lations between human beings, he pointed out, are extremely delicate, "and it is impossible to hide from those with whom you deal what is in your own heart." Much of the unrest in the past has been caused because labor has been treated as a commodity, whereas every employee should be made to feel himself an integral part of his firm. Proper working conditions are important, of course, but 'morale is to material as ten is to one'. Labor asks for higher wages and shorter hours but actually these are not all labor wants. Every human being has certain basic physical and psychological needs, and unless these are met, no human machine functions properly. Basic physical needs are for air, liquid, food, sleep and shelter; basic psychological desires are for security, recognition, self-expression and new experiences. In commenting on the need for security, Professor Magoun remarked: "The only real security you can ever know is your own belief in yourself—your belief in your own ability to make new adjustments." How workers react when the basic need for recognition itself is satisfied, he illustrated by a recent experiment carried out by the Institute of Human Relations at Yale University. In plants where the Institute conducted studies on the causes of strikes, there were no strikes; in plants where such studies were begun late, the strikes were cut in half; and in plants where no studies were made strikes continued as usual. In each case the workers wanted and needed "recognition"

In each one of us, Professor Magoun explained, there is a continuous civil war between our desires and our sense of right and wrong. Only by wise discrimination can we "manage" ourselves and so achieve a calm, integrated personality. Succumbing to desire, or totally resisting it, are not solutions. Intelligent compromise is the only answer. This same kind of conflict also affects all human relations and enters into the problems of labor and management.

Though still far from perfect, man has come a long way. If we compressed the past into a fifty-year period, at the end of

the first forty-nine years we would find man still living a jungle existence; only in the last year has he progressed beyond the cave-man stage. "Business," Professor Magoun stated, "is still a refined form of warfare". Our problem is to devise first for the community, then for the nations, the same co-operative way of life we now enjoy in the family.

Good human relations in industry, Professor Magoun explained, are not possible unless both management and labour determine to deal with one another in good faith and exhibit a will to agree. Each must be prepared to understand the other person's point of view; each must determine by frank and honest discrimination the reasonableness of his own views.

At the Luncheon meeting, Mr. P. C. Armstrong, Special Representative of the Canadian Pacific Railway, Montreal, discussed "Prices and Wages". The relation between prices, wages and full employment was, he said, a very delicate one which could not be determined by government edict if we were to avoid the totalitarian form of government against which we now fight. Mr. Armstrong maintained that in peacetime the ratio between prices and wages should be worked out by "the intelligent co-operation of employers and workers" without interference from government. "Full employment and national prosperity must now depend on greater mutual confidence and closer contact between the employer and the employed accompanied by a complete realization that the consumer is a very necessary third party." He pointed out that we have now learned that all talk of over-production of food is sheer nonsense. Canadians alone, if properly nourished, would eat almost all that Canadian agriculture produced on the pre-war basis. He also stressed the necessity for raising the farmers' standard of living. Canada's large debt was not alarming, he stated, because of our great natural resources and our ability to support a much larger population, provided we return to a sane, budget-balancing economy when the war is won. Mr. Armstrong said in conclu-

sion: "In view of the great natural resources of this country, probably we have a better chance than is given to almost any other group of human beings to organize material progress for ourselves, and the rest of the human race. We fight this war for our survival as a nation. On the intelligence and good will with which we use our opportunities will depend the verdict of history as to whether our victory will have been worth while."

E. G. Hildebrand of Montreal, Assistant Vice-President of the Bell Telephone Company of Canada, and director of the company's personnel department, was the first speaker at the afternoon session. In developing his subject, "Causes of Industrial Unrest", Mr. Hildebrand tabled on a blackboard the basic factors which he felt affect the attitude of employees. The fourteen factors listed took into consideration all the basic physical and psychological human needs. To meet these needs efficiently, and so avoid unrest, Mr. Hildebrand advocated such processes as functionalized hiring, clear-cut statements of company policy, high-quality leadership, frank discussion of wage survey information, formal job evaluation, the provision of employee counselling, and trained supervision to carry out recommendations. The Bell Telephone Company, he reported, had had a counselling scheme in effect for the past two and one-half years which had proved very effective. Mr. Hildebrand explained that a counselling plan provided skilled interviewers who are available whenever (1) "The employee wants to talk" or (2) "The boss wants an employee talked to". He said the Company had found that women interviewers were more helpful in the case of women employees.

Mr. Hildebrand was followed by Miss Renée Morin, Welfare Division of National Selective Service, Ottawa, whose address is published elsewhere in this journal.

The concluding speaker of the Conference was W. K. Rutherford, Ottawa, supervisor of the employment service

division of the employment service and unemployment insurance branch of the Department of Labor. Mr. Rutherford reviewed the history of National Selective Service since its inception in August, 1940, when the various Provincial Government Employment Offices (with the exception of a few in the Province of Quebec) were absorbed into a national system, up to the present time when, to correct labor shortages, compulsory employment orders are being issued to take men of call-up age from unessential to essential employment. "The orders already issued are only the beginning," Mr. Rutherford predicted, "and many more will come". At the beginning of the war, there were 600,000 unemployed in Canada; today there are 13 jobs for every person registered at the 216 employment offices across Canada. In the Maritimes, at the present time, there are 17,000 jobs available and only 841 unrefereed applicants. Mr. Rutherford stressed the fact that National Selective Service was not set up with a desire to hamper and control, but rather for the purpose of assisting constructively in the proper direction and the fruitful employment of all capable of working. This he said, was imperative for a maximum war effort.

Chairmen presiding at Conference sessions were: T. C. Macnabb, Saint John, D. R. Turnbull, Halifax, L. W. Simms, Saint John, and A. D. Ganong, St. Stephen.

### Sydney Conference

The Maritime Association for the Advancement of Personnel Administration, which was recently formed to facilitate the acquirement and exchange of professional knowledge amongst its members and to foster practicable ideals in Human Relationships, met in joint session with the Maritime Bureau of Industrial Relations at Sydney on June 23rd. Dr. F. W. Gray, Dominion Steel and Coal Corporation Limited, addressed the morning session on "The Development of Trade Unionism in Nova Scotia." The second speaker, Judge N. R. McArthur, discussed the "Industrial Situa-

tion in Cape Breton." Professor F. A. Magoun, Massachusetts Institute of Technology, the last speaker of the day, dealt with "Ways and Means of Improving Industrial Relations." The very large attendance, together with the keen interest shown in the proceedings is indicative of the success achieved by the Association in its first general professional meeting. The President of the Association, S. C. Miffen, Dominion Steel and Coal Corporation, was general conference chairman.

### Anti-Strike Laws in the United States

The wave of strikes which has swept the United States in recent months has led to the famous Connolly-Smith Act, which Congress recently adopted overriding the President's veto; it has also brought about numerous legislative enactments by State parliaments. The majority of bills were, according to the *Monthly Labor Review*, designed to prevent picketing, strikes and other activities of organized labour. A drastic anti-picketing measure was passed in Arkansas. Similar measures, designed to curb the organization of agricultural employees, were adopted in Idaho and South Dakota. In Texas a new law requires registration of labor unions. Colorado and Kansas enacted labor relations acts of a type which will impose several limitations on union functions. The Arkansas law will be challenged in a popular referendum, and in at least three of the other States organised labor is planning court tests of the constitutionality of the new laws.

The most comprehensive act is the one adopted in Texas which became law in the State without the Governor's approval in April of this year. The act not only requires unions to file information on officers and finances with the Secretary of State, but also compels all labor organisers to obtain identification cards from the Secretary of State before they may solicit members. Unions must keep accurate accounts open to the inspection of members. Union officers with certain exceptions must be elected annually by a majority vote by secret ballot. The

law also prohibits fees which will create a fund in excess of the "reasonable requirements" of unions. Other provisions prohibit charging of fees for work permits, contributions to political campaigns, and expulsion of members without a public hearing. The law further requires that former members now in the armed forces be reinstated in good standing without paying back dues.

### Vacations With Pay In American Industry

Almost eight million workers in the United States enjoy, according to the *Monthly Labor Review*, vacations with pay provided for by collective agreements. They represent about sixty per cent of the workers which are covered by collective agreements. The movement has made very rapid progress. As late as 1940 only two million workers were eligible for the privilege.

Vacations with pay are least common in seasonal industries such as the building trades and clothing manufacture, and in those in which work is intermittent, such as the entertainment industries. During the past few years paid vacations have been extended to coal mining, railroad transportation, and shipbuilding, and considerable advances in the extent of vacation provisions have taken place in a number of other industries, notably newspaper and electrical equipment. In the coal industry, vacations and vacation bonuses were provided for the first time in the 1941 anthracite and bituminous-coal agreements. The arbitration award which settled the railroad dispute in December 1941 extended paid vacations to the non-operating railroad employees.

In the majority of industries one week's vacation with pay is provided for after one year of service. For miners covered by the anthracite and bituminous coal agreements the vacation period is ten days, including the Fourth of July. Longer than one year's service for a week's vacation is required in some agreements. In practically all of the agreements in the basic iron and steel industry three year's service is required for one week's vacation, and fifteen years for two weeks.

Many agreements specify that eligibility for vacations is contingent upon the employes having worked a given number of hours, days, or months during the year. Agreements of the Anaconda Copper Mining Company, for instance, state that employees with less than 10 years' service must have worked 230 days within the year in order to be eligible for a vacation; employees with 10 years' service must have worked 215 days, and employees with 20 years' service, 200 days. Many agreements in the basic steel industry provide that employees must have received earnings of at least sixty per cent of the pay periods within the year.

### Effect of Incentive Payments

Much has been heard in recent months about the desirability of instituting incentive payment schemes in industry as a means of increasing production without at the same time raising general wage rates. The Bureau of Labor Statistics of the United States Department of Labor has undertaken a comprehensive analysis of statistics on hourly earnings of time and incentive workers in identical occupations in three important industries—machinery manufacture, cotton-textile manufacture and primary fabrication of nonferrous metals. The results which are being published in the *Monthly Labor Review* reveal a definite and substantial margin in favour of the workers paid under incentive plans. The data on median earnings show that this advantage ranged from 12.1 per cent in the primary fabrication of nonferrous metals to 18.1 per cent in the manufacture of machinery. These findings are of significance for wage negotiations and in the stabilization of wages. They imply the maintenance of substantially higher levels of production under incentive systems than under systems of time payment. The higher earnings of incentive workers may result from more intensive effort by the workers themselves, or from greater efficiency on the part of management, or from both of these influences. But whatever the indirect cause, it is clear that, at least in the industries surveyed, production was substantially increased.