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PROPOSED AMENDMENT TO P. C. 7440 AND ESTABLISHMENT
OF A NATIONAL AND REGIONAL WAR LABOUR BOARDS

1. Introduction:

The Government has heretofore expressed its wartime labour policy primarily in the form of approved principles, the observance of which it recommended to employers and employees. Differences in the degree of acceptance of these and other phases of a sound wartime industrial relations policy, both by employers and by employees, are impairing the effectiveness of the war effort. It therefore seems advisable to provide machinery by which a more specific code of labour policy can be developed and enforced.

Policies in the field of industrial relations cannot be created by government mandate. They must develop and command reasonably widespread general acceptance before they can be enforced against nonconforming minorities. If the proposed code of labour policy can be formulated after consultation between the Dominion Government, the Provincial Governments, employers and employees and administered by appropriately constituted joint bodies, it is likely to command that measure of general acceptance which will make effective enforcement possible.

2. Stabilization of Wage Rates and Cost of Living Bonuses:

P. C. 7440, which is intended to check certain inflationary tendencies and to protect wage-earners against the worst consequences of unavoidable increases in the cost of living by its two-fold policy of stabilization of wage rates and the provision of cost of living bonuses, is so central a part of the Government's total policy of economic control that it cannot be surrendered without completely undermining all efforts to control prices and profits.

a. Defects of present policy: The policy, however, is failing to achieve its objectives because it is not being universally accepted nor uniformly interpreted by those who do accept it. Employers in non-war industries are free to raise basic wage rates with consequent unrest on the part of those whose basic wage rates are stabilized. Some employers even in covered industries have increased wage rates in violation of the Order, since labour is growing increasingly more scarce and no penalty is provided for violation. Employers have granted bonuses at different dates, in different amounts, and therefore adjust them at different dates and by different amounts. Some bonuses have been made retroactive, others not. They are often adjusted on different bases, sometimes retroactively, sometimes prospectively. Many