

In other words, under the new arrangement the operator would receive during the first 6 months of her employment, if working full regular time and not reliefs, \$2 per month in the place of \$7.20 earned in overtime by working the same number of hours, under the five-hour system. What the change in the schedule as a whole meant will be seen from the following :-

| 5-Hour Schedule + Overtime.               | Total.  | 8-Hour Schedule. | Decrease to Operators. |
|-------------------------------------------|---------|------------------|------------------------|
|                                           | \$ cts. | \$ cts.          | \$ cts.                |
| 1 to 6 months \$18.00 + \$7.20 per month. | 25 20   | 20 00            | 5 20                   |
| 6 " 12 " 20.00 + 8.00 "                   | 28 00   | 22 50            | 5 50                   |
| 12 " 18 " 20.00 + 8.00 "                  | 28 00   | 25 00            | 3 00                   |
| 18 " 24 " 22.50 + 9.00 "                  | 31 50   | 25 00            | 6 50                   |
| 24 " 30 " 22.50 + 9.00 "                  | 31 50   | 27 50            | 4 00                   |
| 30 " 36 " 25.00 + 10.00 "                 | 35 00   | 27 50            | 7 50                   |
| 36 upwards 25.00 + 10.00 "                | 35 00   | 30 00            | 5 00                   |

It is not to be wondered at, therefore, that the operators who were dependent for their livelihood upon the earnings which they might make in the company's service and who required such spare time as they might have for doing work for themselves, should have preferred the old arrangement, notwithstanding the arduous overtime which it involved, while to operators who were living at home and who looked to their earnings from the company for a sum sufficient to enable them to supplement the family budget, or to earn something towards personal expenses, the increased hours of work and additional earnings derived therefrom, would appear to involve a greater sacrifice as compared with the shorter work day, than would be met by the total increase of earnings that might result under the eight-hour schedule from the month's work.

The manner in which to correctly estimate the cost of labour to an employer is to take as a unit, a quantity of labour of a given degree of intensity and reckon increases or decreases according as the quantity is lessened or increased in duration or intensity in relation to the amount paid. To an employee, wages may properly be said to increase or decrease only in proportion to the extent to which the quantity of labour is lessened or increased either in duration or intensity in proportion to the remuneration it receives. Taking one hour of time given to operating as a unit of measurement, and assuming the intensity of the work to have remained the same, the change effected in this case would occasion in reality a saving in cost to the company, and to the employees, the so-called increase in wages would in reality be a decrease. The extent to which in either case it was such, would depend on the degree to which the speed of operating, or the intensity of the labour was diminished under the new arrangement, a matter which is given very full consideration later on, but in regard to which at this point it may be sufficient to repeat the words already quoted of Mr. Hammond V. Hayes, the Chief Engineer of the American Telephone and Telegraph Company, who was consulted by the company in the matter. In his letter of December 4, 1906 to Mr. Jos. Baylis, the company's engineer at Montreal, Mr. Hayes says, 'Considering now the ability of an operator to handle more calls if she works only five hours a day than if she is employed eight hours, I feel that some increase can be made as far as the operator herself is concerned both physically and mentally. The question is, however, primarily one of service rather than of load. There is much more question in my mind

if an operator on a five-hour schedule can carry appreciably more load than if she works eight hours and gives an absolutely equivalent service.'

That the change was intended to mean a reduction in cost to the company, and to that extent, and viewing the matter from the standpoint of quantity of labour expended, a decrease and not an increase in wages to the operators, is clear from the statement of the local manager in his letter to Mr. Baylis, of the 20th of December, in which he says, 'to pay the present high rate per hour for much overtime is most uneconomical, and results are not secured if there is any foundation for the idea that the service suffers where operators become tired,' and more particularly in the following extract from the same letter: I would recommend that after relief comes through the College office that we should then increase hours and wages and decrease the load. The increase in wages would not equal that of hours and the cost per 1,000 calls should be lessened. It has been seen that in less than a month after the local manager recommended that the change should be immediately made, without waiting for the opening of the College office, and the facts clearly show that when made the increase in wages was not made to equal the increase in hours by a very large per cent. Roughly estimated, the increase in hours under the eight-hour schedule, as it appears to have been originally intended, was an increase of 60 per cent, for the majority on the regular staff, or an increase of 40 per cent in the case of the schedule as subsequently modified. The increase of wages, on the other hand was an increase per month for the first six months of 11½ per cent; for the second six months of 11¼ per cent; for the third six months of 12¼ per cent, &c., &c. In other words, the change meant a reduction in wages per hour of from 2½% to 3½% per cent for the first six months, &c. The percentage decrease in wages under the eight-hour schedule as originally proposed, and under the eight-hour schedule as finally revised, as compared with the five-hour schedule, will be apparent from the following :-

|                    | 5-Hour Schedule.  |                  | 8-Hour Schedule.  |                  | Percentage per Hour less than 5 Hour Schedule. | 7-Hour Schedule.  |                  | Percentage per Hour less than 5-Hour Schedule. |
|--------------------|-------------------|------------------|-------------------|------------------|------------------------------------------------|-------------------|------------------|------------------------------------------------|
|                    | Amount per Month. | Amount per Hour. | Amount per Month. | Amount per Hour. |                                                | Amount per Month. | Amount per Hour. |                                                |
|                    | \$ cts.           | Cts.             | \$ cts.           | Cts.             |                                                | \$ cts.           | Cts.             |                                                |
| 1 to 6 months..    | 18 00             | 13 84            | 20 00             | 09 61            | 3¼%                                            | 20 00             | 10 98            | 2½%                                            |
| 6 " 12 " ..        | 20 00             | 15 38            | 22 50             | 10 81            | 2½%                                            | 22 50             | 12 30            | 2                                              |
| 12 " 18 " ..       | 20 00             | 15 38            | 25 00             | 12 01            | 2½%                                            | 25 00             | 13 46            | 1½                                             |
| 18 " 24 " ..       | 22 50             | 17 31            | 25 00             | 12 01            | 3½%                                            | 25 00             | 13 46            | 2½                                             |
| 24 " 30 " ..       | 22 50             | 17 31            | 27 50             | 13 22            | 2½%                                            | 27 50             | 15 10            | 1½                                             |
| 30 " 36 " ..       | 25 00             | 19 23            | 27 50             | 13 22            | 3½%                                            | 27 50             | 15 10            | 2½                                             |
| 36 and thereafter. | 25 00             | 19 23            | 30 00             | 14 42            | 2½%                                            | 30 00             | 16 48            | 1½                                             |

As mentioned above, allowance must be made in this case also for any difference in the rate of speed of operating under the two schedules.

It is true that the commission was informed that the change had been made at an estimated increased cost to the company of \$1,300 per month. This, notwithstanding a reduction in labour cost, such as has been shown, may have been the case. The service had to be improved, and it was the improvement of the service which was aimed at in the charge. It was quite conceivable that subscribers may have benefited, while