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# Industrial Relations

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# INDUSTRIAL RELATIONS

*A synopsis of movements in Great Britain, the United States and Canada to effect a better understanding between employers and workers.*

It is necessary that there should be a better understanding between capital and labor. After the war, industrial Canada will have to face grave problems of reconstruction. Factories employing a quarter of a million workers will have to be readapted to peace activities. Hundreds of thousands of soldiers will have to be reestablished in industrial pursuits. Between 1,500,000 and 2,000,000 persons will be affected vitally by demobilisation and cessation of war orders. Unless there is sympathetic understanding and sincere co-operation between employers and employees, industrial machinery cannot be adjusted to the new conditions without severe loss to capital, extensive unemployment and individual distress. Conditions which are the cause of the present labor troubles must be corrected or graver disturbances will mark the reconstruction period. Much of the present disquiet is due to high prices but much of it also to specific industrial causes. Amongst these are the refusal of capital to admit the human rights of labor, the domination of extreme elements in labor organisations and the ancient and still active distrust between labor and capital. These causes must be corrected in the interests of industry and of the nation.

## A VITAL PROBLEM

Sir John Willison in his Galt address, outlining a national policy, said:—"It is only by methods of conciliation, sympathetic appeal and laborious effort towards a better

understanding that the class war will be abated, and a more satisfactory relation between capital and labor established. It is unfortunate that upon both sides, in too many cases, there is a vindictive spirit and a disposition to misinterpret and misunderstand. Too often the Labor Union approaches the employer in an arrogant temper and exercises a species of intimidation. On the other hand the employer regards the union as his natural enemy and assumes that it exists for purposes of tyranny and extortion. Too often the union protects inferior workmen and insists upon vexatious regulations which impair efficiency and hamper the exercise of necessary authority. Too often both employers and employees observe only the letter of agreements and the steady and satisfactory operation of a great industry is embarrassed by constant friction and misunderstanding. Again the employer, struggling, it may be, through a bad season or a falling market, feels that there is no sympathetic identity of interest between his workmen and himself, and that the loyal co-operation and the energetic support which the situation of the business demand are withheld. So often the employee in evil domestic circumstances, with sickness or death in his home, and accumulating obligations which his wages cannot satisfy, feels that his employer is far removed from his trials and difficulties, enjoying a prosperity to which he has contributed, and careless of the welfare of the one poor cog in his

vast machine. These are elementary facts, easily stated, but at their roots lie the great problem of the ages. For as Carlyle said "the organization of labor is the universal, vital problem of the world."

### BREAKING DOWN THE WALL

"The war as nothing else in human history has broken down the wall of partition between classes. Never before has the world had such a revelation of the divinity of human nature. Those who do the world's common drudgery and those who have worn fine linen and fared sumptuously every day have fought, suffered and died together in the trenches. All have responded to a common appeal and all have shared in common sacrifice and common glory. Unless there is a mortal and ineradicable defect in our civilization there will be fruits of sympathy and understanding from all this bloody sowing. In Great Britain those who were regarded as Labor agitators have become sober and responsible Imperial statesmen as probably they always were if we had understood. No one in the United States has revealed more of the spirit and stature of a statesman than Samuel Gompers. Those who reviled Mr. Lloyd George are his colleagues in the Government; those whom he reviled are his friends and comrades. It is not clear that those Labor and Radical leaders in Great Britain and the United States have become more conservative; it is certain that many of those who contended against them have become less conservative. Not a few wild theories and fantastic panaceas have been tested in Russia with consequences of ruin and horror beyond imagination. Yet there are disciples of the Bolsheviki in the United States and even in Canada. At a meeting in New York not long ago the Soviet Republic was described as "the guardian and the hope of the loftiest ideals of the toiling masses."

On the very day on which this declaration was sanctioned Mr. Gompers at the annual meeting of the American Federation of Labor at St. Paul said: 'I am not going to give up voluntarily the labor movement with its achievements of to-day, to look for the chimerical tomorrow. I think the greatest, the most radical, the most idealistic, and the most fantastical declaration which any body of men has made has been by the Bolsheviki of Russia. And they have lost, not only the meat from the bone, but the bone itself, and have not even the shadow. We here prefer to go on in this normal way of trying to make the conditions of life better to-day than they were yesterday.'

"Speaking in England, Mr. Hughes, the Labor Premier of Australia said: 'Bolshevism is no new thing to us. There is nothing new in its shibboleths, which were to set up a new heaven and a new earth, in which all things would come to men who did not deserve them. These shibboleths were being adopted by an increasing section of the country from which I come, but the country is now being swept by the fierce winds of war and men see that they have to look to a world as it is.' All over the world the Socialists and the demagogues are busy. We have had in Russia as I have said an instructive illustration of the results of evangelical idealism. We have had, too, very deplorable evidences of the effects of the craft and cunning, the cupidity and malignancy, of unprincipled destructionists. There is reason to fear that many of these irresponsible apostles of revolution are the subsidized agents of Germany seeking to destroy by internal dissension in the Ally countries the political authority and the free institutions which German arms cannot overcome. But the Canada that we are saving by sacrifice and valor we may not destroy by incendiary agitation or rash and empirical legislation. There is safety only

in sympathetic co-operation between employers and employees, and frank recognition of the actual identity of interest between capital and labor.

### CLOSER ASSOCIATION

"It is possible, whether labor is organized or unorganized, to have a close association between employers and employed. Only the best results can follow from mutual consultation and co-operation. If workmen can confer with managers and directors, acquire knowledge of working conditions, of relative rates of wages in competitive industries and of the state of home and foreign markets, they will be stimulated to greater exertions in the common interest. There can be effective conference only through organization of labor and free recognition by employers of the chosen representatives of the workmen. Of peculiar value is organization in the individual industry although no plan can succeed if it aims to deprive labor of common machinery for the protection of its general interests. It is the judgment of the Canadian Reconstruction Association that in preparation for after-war conditions industries or groups of industries in Canada should call their workmen into council and establish so far as is practicable the co-operative but mutually independent relation which will be necessary if we are to have unity, stability and prosperity during the difficult period of reconstruction. Assuredly such a co-operative relation would go far to establish the complete identity of interest between capital and labor, to defeat the devices of demagogues, and to steady the social forces. It is not suggested that any possible co-operation between employers and workmen will guard against all misunderstanding or trouble in future but only that a common understanding of common problems will ensure early consideration of grievances and establish in

every industry a permanent council of conciliation."

### THE "COLORADO" PLAN

The value of co-operation and frank recognition of the rights of labor is indicated in the success which Mr. John D. Rockefeller, Jr., reports of the "Colorado" plan, after a careful inspection of the results of that industrial brotherhood experiment at the plants of the Colorado Fuel and Iron Company. In 1915 after the mines and steel mills had been the scenes of serious strikes, Mr. Rockefeller went to study the situation. He told the men he was firmly resolved to maintain in every respect the open-shop principle, that he meant to bring capital and labor nearer together and that he was determined that every employee should have a prompt hearing and fair treatment. To the miners he proclaimed the doctrine that labor and capital are natural partners, not enemies. "You workers here," he said, "cannot get on without capital from some source, and capital ceases not only to be fertile but to have the power of living when it tries or is forced to forego active association with labor." In *The Atlantic Monthly* at that period he also wrote:—"With labor and capital as partners, wealth is created and ever greater productivity made possible. In the development of this partnership, the greatest social service is rendered by that man who so operates in the organization of industry as to afford to the largest number of men the greatest opportunity for self-development and the enjoyment by every man of those benefits which his own work adds to the wealth of civilization. This is better than charity or philanthropy; it helps men to help themselves and widens the horizon of life. Through such a process the laborer is constantly becoming the capitalist, and the accumulated fruits of present industry are made the basis of further progress."

The detailed plan proposed in the Colorado Mining District in 1915 provided against discharges without notice, for the open-shop, for conciliation and co-operation and for better living conditions for the men. It included a method of representation by which employees could obtain redress for wrongs and were given a voice in questions of employment and working and living conditions. As the result of his visit of inspection, Mr. Rockefeller in August authorized publication of the following statement:—"I spent two weeks visiting the twenty or more camps and steel mills of the Colorado Fuel and Iron Company. I talked with practically all of the representatives in the camps and mills. The outstanding results of the operations of the plan have been as follows:—

"1. Uninterrupted operation of the plants and increased output.

"2. Improved working and living conditions.

"3. Frequent and close contact between employees and officers.

"4. Elimination of grievances as a disturbing factor.

"5. Good-will developed to a high degree.

"6. The creation of the community spirit.

### COMMUNITY SPIRIT

"This community spirit has been fostered in many ways. Clubhouses have been constructed in a number of the camps and are under the direction and operation of the Young Men's Christian Association. These buildings provide recreation and social facilities, not only for the men and boys but for the women and children as well. There are bandstands in a number of the camps and bathhouses in practically all of them. In several dispensaries have been built and supplied with district nurses.

"Schools have been improved; some would serve as models in any

city, however progressive. One of the most important features of the community life is the gardens that have been generally cultivated. This has been possible by fencing in a plot of ground around each miner's house, which is developed in grass, in flowers, or in vegetables, and always adds interest and attraction to the home.

"The community spirit is developing community pride and rivalry. Each camp has its band, its baseball team, and of late this spirit has manifested itself most gratifyingly in patriotic endeavors. Over 1,000 men in the company have responded to the call of the colors. In the Third Liberty Loan practically every man in the camps and steel works subscribed. A total subscription of over \$1,000,000 was received in addition to some \$700,000 subscribed to two earlier loans, and a similar high percentage in connection with the recent Red Cross campaign, the contribution being a day's pay.

"Representatives of the men in the camps and mills have assured me that all grievances have been adjusted to the satisfaction of the employees, are in process of adjustment, or the employees have been convinced that their grievances were not well founded. The representatives have expressed their own unqualified endorsement, approval and appreciation of the plan, which attitude, they say, is that very generally of the rank and file of the men, who constantly value the plan more highly as they understand its working better."

### THE WHITLEY REPORT

The association between capital and labor that has achieved such reported splendid results in Colorado is the condition that is essential to improvement of industrial relations. The problem of establishing such a relationship is attracting the attention of Governments, corporations and individuals. In Great Britain,

a sub-committee of the Reconstruction Committee was appointed:

"1. To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

"2. To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future."

The result of the sub-committee's initial deliberations was what is better known as the "Whitley Report," an interim statement advocating the establishment of Industrial Councils. The sub-committee, which devoted its attention first to the main industries of the country in which there existed representative organizations on both sides, found it essential that "any proposals put forward should offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous co-operation in the promotion of industry." To this end, the sub-committee reported that "the establishment for each industry of an organization, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community, appears to us necessary."

### INDUSTRIAL COUNCILS

The sub-committee, therefore, recommended "that His Majesty's Government should propose without delay to the various associations of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they do not already exist, composed of representatives of

employers and employed, regard being paid to the various sections of the industry and the various classes of labor engaged."

The National Industrial Council was not regarded as complete in itself. The sub-committee advocated "a triple organization in the workshops, the districts and nationally." It therefore advised that the following proposals should be laid before the National Industrial Councils:—

"(a) That District Councils, representative of the Trade Unions and of the Employers' Association in the industry, should be created, or developed out of the existing machinery for negotiation in the various trades.

"(b) That Works Committees, representative of the management and of the workers employed, should be instituted in particular works to act in close co-operation with the district and national machinery."

Among the questions which it was suggested that the National Councils should allocate to District Councils or Works Committees, the sub-committee selected the following for special mention:—

### ACTIVITIES OUTLINED

"1. The better utilization of the practical knowledge and experience of the workpeople.

"2. Means for securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.

"3. The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.

"4. The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the

prevention of differences, and to their better adjustment when they appear.

"5. Means of ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.

"6. Methods of fixing and adjusting earnings, piecework prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph 3.

"7. Technical education and training.

"8. Industrial research and the full utilization of its results.

"9. The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

"10. Improvements of processes, machinery and organization and appropriate questions relating to management and examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeoples' point of view in relation to them.

"11. Proposed legislation affecting the industry."

## HUMAN RIGHTS

It is significant that the sub-committee specifically advised that membership in the Councils should be confined to representatives of Trade Unions and Employers' Associations and that new organizations should be admitted only with the approval of the particular side of the Council of which the organization would form a part. Its members further refrained from expressing opinions with regard to profit sharing, co-partnership, or particular systems of wages, etc., being convinced that "a permanent improve-

ment in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected."

The Whitley Report demanded recognition of the human rights of labor. That is the new spirit in industry. It found expression in the views of a great employer at the Watt Anniversary Lecture for 1918 when Mr. W. L. Hichens, Chairman of the great steel firm of Cammell Laird & Co., discussing "Some Problems of Modern Industry" said:—"It may be that the solution of this industrial problem which is by far the greatest that we are called upon to meet, lies beyond mere intellectual and legal formulae, beyond all economic laws and doctrines, and depends on our attitude towards social existence—in plain terms, on our moral code.—The mainspring of all political philosophy and of human existence is to be found in a single sentence uttered by the greatest philosopher of all time—'If ye love me, keep my commandments.' Love of God and love of man are the bases on which human society rest; they are the final motives of all right conduct. Without them all societies crumble and the world becomes the pandemonium it is today."

## IMPORTANT DEVELOPMENTS

The Whitley Report, issued on March 8, 1917, excited profound interest not only in Great Britain but on this continent. Important developments followed from it. On April 23, 1918, the Parliamentary Secretary of the British Ministry of Labor was able to state that negotiations for the establishment of National Industrial Councils had already taken place in 26 industries, covering 3,000,000 workpeople. In twelve of



these industrial schemes were being drawn up, in five agreements as to the actual constitution had been reached, and in one case—the pottery industry—a national joint council had actually been established. Moreover the Government itself had taken action with regard to an important section of its own employees. On May 14, an Admiralty circular was issued informing workmen of the royal dockyards and other naval establishments that the Board of Admiralty proposed to set up shop committees and a yard committee in each such establishment, the members on the workers' side to be elected by ballot. On July 4, the Minister of Labor stated in Parliament that:—"Two joint industrial councils for the pottery and building industries, respectively, have already held their first meetings. Joint industrial councils have also been constituted for the heavy chemicals, gold, silver and kindred trades, rubber and silk industries, and the first meetings of these councils will be held during July. As a result of conferences, called as a rule by the Minister, considerable progress has been made in the following eight industries: baking, cable making, commercial road transport, electrical contracting, furniture manufacture, leather goods and belting, matches and vehicle building. Provisional committees have been appointed, and have drafted constitutions which have been sent out to the various associations concerned for approval. As soon as the constitutions have been approved by the various associations, the first meetings of the councils will be arranged. In the case of the following five industries, conferences have already taken place and have approved of the drafting of constitutions: bobbin manufacture, boot and shoe manufacture, electricity (power and supply), roller engraving, and woollen and worsted. In the case of some twenty other industries the associations concerned are giving careful

consideration to the question of the formation of a joint industrial council, and in some of them arrangements have been made for summoning joint conferences."

## GOVERNMENT POLICY

In the debate on Supply the Government was pressed to adopt the Council system in the Post Office. It was stated in reply that the matter did not concern the Post Office alone and would shortly be considered by the War Cabinet. On July 4, its decision was announced by Mr. Bonar Law in the following terms:—"The War Cabinet has considered this question and has decided to adopt in principle the application of the recommendations of the Whitley Report with any necessary adaptations to Government establishments where the conditions are sufficiently analogous to those existing in outside industries. It has also been decided that an Inter-Departmental Committee composed of representatives of the Departments concerned should be set up to consider what modifications are necessary. The Committee will be presided over by the Minister of Labor."

He added that the Committee, as it was to consider the matter from the Government point of view, would not contain representatives of the workers in the Departments.

The principle of the Report has also been approved by the Association of Municipal Corporations, and the establishment of Joint Councils is under consideration for the gas, electricity, tramways, water and non-trading municipal services.

Recognizing that further machinery is required for settling disputes besides the Joint Councils, the Whitley Committee issued in June a Report on Conciliation and Arbitration. Its conclusions were:

"(a) Whilst we are opposed to any system of compulsory arbitration, we are in favor of an extension of

voluntary machinery for the adjustment of disputes. Where the parties are unable to adjust their differences, we think that there should be means by which an independent inquiry may be made into the facts and circumstances of a dispute, and an authoritative pronouncement made thereon, though we do not think that there should be any compulsory power of delaying strikes and lock-outs.

"(b) We further recommend that there should be established a Standing Arbitration Council for cases where the parties wish to refer any dispute to arbitration, though it is desirable that suitable single arbitrators should be available, where the parties so desire."

#### OTHER PROPOSALS

While there has been a remarkable response to the Whitley proposals in organized industries, much difficulty has been experienced in adopting a policy for less organized trades. In a second report issued in October, 1917, the Whitley Committee submitted further recommendations and presented the following brief outline of the proposals advanced:—

"(a) In the more highly organized industries (Group A) we propose a triple organization of national, district, and workshop bodies, as outlined in our first Report.

"(b) In industries where there are representative associations of employers and employed, which however, do not possess the authority of those in Group A industries, we propose that the triple organization should be modified by attaching to each National Industrial Council one or at most two representatives of the Ministry of Labour to act in an advisory capacity.

"(c) In industries in both Groups A and B we propose that unorganized areas or branches of an industry should be provided, on the application of the National Industrial Council and with the approval of the Ministry of Labour, with Trade Boards for such areas or Branches, the Trade Boards being linked with the Industrial Council.

"(d) In industries having no adequate organization of employers or employed, we recommend that Trade Boards should be continued or established, and that these should, with the approval of the Ministry of Labour, be enabled to formulate a scheme for an Industrial Council, which might include in an advisory capacity the 'appointed members' of the Trade Board."

#### PROPOSALS REJECTED

Certain features of the Committee's proposals for the less organized industries were rejected by the Government. Both the Minister of Labor and the Minister of Reconstruction pointed out that "it is fundamental to the idea of a joint Industrial Council that it is a voluntary body set up by the industry itself, acting as an independent body and entirely free from all State control." Nor was the Minister of Labor prepared to assume the responsibility of deciding whether or not an industry was sufficiently organized to dispense with Government representatives. The utmost the Government was prepared to undertake was to supply representatives if the Council specifically asked for them. In regard to the Works Committees, the situation was complicated by the marked dilution of labor in Great Britain and

the growth of the Shop Stewards Movement. The Whitley Committee in answer to a specific question had declared that membership of the Councils was to be confined on the workers' side to trade unions and that new organizations of employees could be admitted only with their consent. In other words, the whole question was raised of the relative representation of the trade union and shop stewards elements in workers' organizations. This question is now the subject of further discussion but will be settled by the new Government Departments of Reconstruction and Labor as the Whitley Committee has submitted its final report. A recommendation of the Whitley Committee for extension of the Trade Boards' functions giving them power to consider hours of labor as well as wages has been accepted and embodied in a bill passed by the Government.

### THE MODIFIED PLAN

A modified plan of organization in the less organized industries has been announced by the Ministers of Reconstruction and Labor. It has been decided to recognize one type of Industrial Council only in group B, and not to attach official representatives to the Council except on application of the Council itself. In groups C and D Trade Boards will be established but it is not regarded as advisable that a Trade Board should formulate a scheme for an Industrial Council, "nor is it probable that Trade Boards for unorganized areas will be set up in conjunction with a joint Industrial Council." As the situation now stands, the Industrial Councils vary in structure and functions as determined by the industries themselves. They are self-supporting and receive no voluntary aid from the Government. They are officially recognized as the standing consultative committees to the

Government in all future questions affecting the industries which they represent and they will be the normal channel through which the opinion and experience of an industry will be sought in all questions with which the industry is concerned. It is an important feature of the Whitley proposals, that the Committee formed the opinion that the expressions employers and workmen as used in its initial proposals covered State and Municipal authorities and persons employed by them. Accordingly, it recommended "that such authorities and their workpeople should take into consideration the proposals made in the reports with a view to determining how far such proposals can suitably be adopted in their case." Finally, it is noticeable that six out of 15 members of the Whitley Committee sign the final report subject to an appended note that:—

"By attaching our signatures to the general Reports we desire to render hearty support to the recommendations that Industrial Councils or Trade Boards, according to whichever are the more suitable in the circumstances, should be established for the several industries or businesses and that these bodies, representative of employers and employed, should concern themselves with the establishment of minimum conditions and the furtherance of the common interests of their trades.

"But while recognizing that the more amicable relations thus established between capital and labor will afford an atmosphere generally favorable to industrial peace and progress, we desire to express our view that a complete identity of interests between capital and labor cannot be thus affected, and that such machinery cannot be expected to furnish a settlement for the more serious conflicts of interest involved in the working of an economic system primarily governed and directed by motives of private profit."

## PLYMOUTH CONFERENCES

After a series of conferences between employers and trade unionists at Plymouth in March and April, 1918, a "Report on the Reconstruction of Industry" was issued. The proposals contained in the Whitley Report were accepted and the principles underlying them were particularly welcomed. The conferees agreed that "until co-operation based on solid understanding is arrived at, any substantial progress toward better relations is impossible. It is, therefore, the manifest duty of every employer and leader of labor to use his whole influence to build up a better order. No palliatives will suffice. The causes which have created and kept alive distrust and suspicion must be ascertained, faced and removed." The main causes of unrest, they found to be:—

"(a) The dissociation of the operatives from any share in the control of industry or responsibility for the conditions under which it is carried on.

"(b) Mutual ignorance of each other's point of view between all sections engaged in or connected with industry.

"(c) The suspicion of profiteering and the claim of the operatives to a greater share in the profits of industry.

"(d) The fear of unemployment and the consequences which follow for the operatives.

"(e) The reluctance of some employers to recognize the Trade Unions and to organize themselves in Federations."

They urged that the principles of co-operation and national service must become the guiding principles in industry. They agreed that meetings between employers and employees should be adopted as a permanent part of the conduct of industry. They contended that the profits of industry should in the future bear more of the charges of unemployment. They maintained

that "one of the best ways of securing the fullest possible production would be to secure the workers against the risk of unemployment, and to secure a large and safe market for the products of industry." They agreed that the right of operatives to seek to advance their standard of living by means of combination must be frankly recognized. "The policy of refusing recognition to the Unions" they said, "is in our opinion, mischievous and futile." They also declared that "the principle of collective bargaining is sound and should be widely extended."

## THE BRISTOL VIEW

Conclusions strikingly similar to those arrived at at the Plymouth Conference were reached a year earlier at a joint conference of Bristol Employers and Trade Unionists on "The Industrial Outlook." While those attending were present in an individual and not a representative capacity, they were engaged in the following trades and businesses:—engineering, shipbuilding, boiler-makers, pottery, boot and shoe, oil and color, white lead, linoleum, printing, building, shipping, corn, transport workers, railway clerks, confectionery and general workers. They found the central feature of the industrial situation in Great Britain before the war to have been want of confidence between capital and management and labor. Though war had created a deeper sense of national unity, they, too, urged the need of a new spirit in industry. The main causes of distrust and suspicion they discovered to be practically the same as those stated at the Plymouth Conference. They were emphatic in urging meetings between employers and employed and in condemnation of refusals to recognize trade unions. They supported the principle of collective bargaining and urged its wider adoption. The conclusions of the Whitley Committee were foreshadowed in the

following practical suggestions advanced towards industrial reconstruction.

"Our industries should be re-organized on a National basis. The unit in this national organization must be the trade, as a whole, not the separate business. The separate employers in each trade should be associated in local Federations of Employers. The operatives in each trade should be associated in the Trade Unions.

"Control, in each trade, should be exercised through Joint Committees, especially representative of employers and employed.

"The local organizations should in turn be linked to a national organization of the trade, constituted on similar lines. The several trades organizations should be co-ordinated in a Ministry of the Crown responsible for the industrial life of the country as a whole.

"Decisions regulating prices, wages, hours and conditions, for the trade as a whole, would, through such organization, be arrived at by voluntary agreement between persons actually engaged in the industrial affairs of the nation."

### INDUSTRIAL COURTS

The conclusions of the conference were remarkable for the general agreement that "statutory compulsory arbitration is undesirable" and for the following statement on industrial courts:—

"In view of the large amount, and the probable extension, of industrial legislation, we are of the opinion that a new type of Court is urgently needed, consisting of a chairman, with legal training, who has specialized in industrial questions, with technical assessors, to take over from the County Court cases of the type of Workmen's Compensation claims, and from the Stipendaries and Justices, cases such as proceedings under the Factory Acts, and disputes under

the Employers' and Workmen's Acts."

The Association of British Chambers of Commerce at its recent convention adopted the following resolution:—

"That this Association recognizing the supreme importance to the country of cordial co-operation between capital and labor, and of the existence of amicable relations between employers and employed, welcomes the recommendations of the Whitley Report to create industrial councils, and agrees:—

"(1) That the employers and employed in the various industries should formulate schemes for the establishment of such councils for the regulations of wages, conditions of employment of the workers, and all matters affecting the welfare of the workers, and

"(2) That these councils should be set up by voluntary action on the lines considered by those interested to be the best suited for the requirements of the different industries and their varying conditions."

### POWERS UNDECIDED

There are still wide differences of opinion as to what powers industrial councils should exercise, whether or not penalties should be imposed upon recalcitrants and how penalties, if imposed, should be enforced. The Whitley Committee condemned compulsory arbitration and opposed enforcement of awards and agreements by pecuniary penalties. The British Industrial Reconstruction Committee urges the Government to bring employers and employees together by systematic appeal and action. The National Alliance of Employers and Employed insists that after-war industry must have self-government. It argues that this self-government can be achieved only by representatives of employers and employed working together with equality of representation and free from

outside interference. "Through that co-operating work," the secretary of the Alliance declares, "they are reaching a mutual understanding and a realization of the fact that their interests are identical and not antagonistic, and they are agreed that along these lines the industrial future can be assured."

### THE STANDARD OIL PLAN

In the United States an Industrial Council representing the Standard Oil Company and its 9,000 employees in New Jersey has been created. Through conferences with the representatives of the workmen a system of sick benefits, life insurance and annuities has been established and a plan of medical supervision organized which will ensure that the health of the company's employees will be conserved and their work adjusted according to the physical condition of the individual. Mr. W. C. Teagle, President of the Company, explains that the cost of replacing employees runs from \$10 to \$300 for each replacement. He speaks of one plant where replacements ran as high as 30 per cent. of employees per month and declares that in the Ford plant at Detroit replacements by various experiments have been reduced from 140 per cent. per annum to 29 per cent. He argues that it is the prospect of poverty in old age and the fear of leaving behind a wife and dependent children which leads men to leave a good place for places a trifle better. He believes that the worker should be maintained out of the active capital and labor of the country and that the provision of insurance and annuities is sound business and sound national policy. "Our company," he says, "has encouraged its refinery employees to elect representatives with whom the management is pledged to deal in all matters affecting wages and working conditions and the remedying of every grievance or possible injustice.

Speaking at a joint dinner of the Directors and employees, Mr. Teagle said: "The appeal to brute force, the policy of gaining an advantage wherever coercive measures permitted, has been a common fault of all. Industrial peace as well as peace between the nations must depend upon mutual sympathy and understanding between all sections of industry and an equitable division of the proceeds of that industry between the two partners of American business—capital and labor.

### SYSTEM DESCRIBED

"Describing the representative system, Mr. Teagle writes at a later date:—"The representatives are elected from among the men by secret ballot. The whole body of employees at each plant are divided into groups or divisions, with approximately two representatives for each group of 300 or less and with additional representatives for larger groups. These elected representatives are expected not only to take up the grievances of individuals or groups, but to co-operate with the management with reference to all that concerns working conditions in the plant and also the company's relation to living conditions in the community. All such grievances and plans will be considered freely in joint conferences where the number of company representatives will never exceed the number of employees' representatives.

"We believe that these representatives will play an invaluable part in giving the men a feeling that they are a real part of the organization, that they have the company back of them, and that the company is not some unknown, unapproachable power, but consists of men like themselves, with whom they can talk and before whom they can lay their troubles.

"This same principle is carried out in connection with our Employment Department. We have a list

of offences agreed to by the representatives, plainly posted in the works, which sets forth certain definite grounds on which suspension or discharge may be incurred; but nobody can be suspended or dismissed out of hand by any foreman. The foreman merely reports the case with recommendations to the Employment Department, by which all further action is taken. In the case of offences other than those listed, the first infringement calls for formal warning. The second infringement is reported to the Employment Department, by whom the man may be suspended, or discharged, or, it may be, transferred, or found wholly innocent. In any case where an employee feels he has been unjustly treated or subjected to unfair conditions, he has the right of appeal, either in person or through his elected representative, to the general superintendent, and right on up to the highest officials of the company, if the regular course of procedure with the foreman and the Employment Department should fail to bring about satisfactory settlement.

### EMPLOYEES INSURED

"In somewhat a similar spirit, our insurance, sick benefits and annuities plan aims to give the employees a feeling of permanence in their work and a definite place and a definite share in the organization. Every employee of more than a year's standing is insured for a minimum of \$500. This insurance is re-adjusted on an ascending scale each year, so that after being in the employment of the company for five years or more, the insurance amounts to 12 months' full pay, with a maximum of \$2,000. Employees do not have to undergo any physical examination and all premiums are paid by the company, no tax of any kind falling on the workman insured. Furthermore, the insurance does not necessarily lapse if the employee

leaves the service of the company. He can continue his insurance, still without the need of going through a medical examination, by making his own arrangements with the insurance company for the payment of the regular premiums called for on a man of his age. All suspicion, therefore, that his insurance might be unfairly used to hold men in the company's employ is dissipated. In the case of sickness, employees receive half wages during illness for periods ranging from six weeks, in the case of those whose term of service is less than 2 years to 52 weeks in the case of employees of 10 years' service and over.

"We aim to make the wage-earner feel that he is an integral and permanent part of our organization, and to recognize him as such. Just as our interest in him is not limited to the work he does from day to day, so his interest in the company is not limited to his daily wage, but by his loyal service he is building up for himself an assured and increasing share in his prosperity. Capital and industry are partners."

### LABOR'S ATTITUDE

So much for the employer's statement of the case. Equal interest attaches to the attitude of labor. Mr. Joseph A. McDevitt, a representative of the employees, says:—"The Standard Oil Company of New Jersey has accomplished in a few short weeks what many years of misguided endeavor have failed even to inaugurate. Men are men, regardless of what position they might hold. If their work is a part of the great machinery of the company they wish a proportionate recognition. Slackened energy gives its return in lessened efficiency, and the strongest organization is no more powerful than its weakest part. In the strengthening of its several parts, the Standard Oil Company has done a noble work that should be a model to the industrial

world. There is no customer like a satisfied one nor a more efficient employee than he who invests a strong confidence in his employer.

"When the notices of a conference between the representatives of the employees and those of the company were first posted, there was apparent among the majority of the former a disposition to regard the sincerity of the proposal with the proverbial grain of salt. In fact many regarded the suggestion as a pharisaical proposition at which polite nothings would be exchanged without any practical benefit accruing to either party." Mr. McDevitt relates how suspicion gave place to enthusiasm as the sincerity of the company became manifest. A change in the time of payment of wages was requested. The company gave it immediate attention and acted upon it within a month. It affected a payroll of 2,500 men and entailed a great amount of labor and expense. That compliance with their first request convinced the men of the company's sincere desire to make conditions for them as pleasant and accommodating as possible. The company's action, Mr. McDevitt declares, "accomplished more to establish a lasting confidence among the employees than volumes of literature."

### THE BETHLEHEM AWARD

Collective bargaining and the eight hour day were recognized in the Bethlehem Steel Labor Award. In one of the most important rulings so far rendered, the National War Labor Board of the United States on August 4 in a decision involving some 28,000 workers on war contracts at the plants of the Bethlehem Steel Company, upheld the main contentions of the employees and established working conditions, which, if carried over into peace times, are bound to have a far reaching effect on the labor policy of that company and of the steel industry in general.

The Board granted the workers the right to organize and to bargain collectively. It applied the basic eight-hour day. It called upon the company to pay men and women alike when performing the same work. It provided that the piece work rates should be revised by the plant management, co-operating with committees of the workers and representatives of the Ordnance Department, which is the Department principally interested in the product of the plant. Finally it ordered that a permanent local Board of Mediation and Conciliation should be established to effect agreements on future disputed points and on points not covered in the award. The Board is to consist of six members, three chosen by the company and three by the workers. It will be presided over by a Chairman, to be selected by and representing the Secretary of War. In addition, an examiner of the War Labor Board was assigned to interpret and enforce the award, being specifically instructed to report to the Board upon all charges of discrimination against union men by the company.

Stated generally, the workers demanded the application of the basic eight hour day, the right to bargain collectively through committees and prohibition of discrimination of any kind because of trade union activity. Concerning collective bargaining, representatives of the men said the controversy would have been settled had the company chosen to meet with committees of its own workers. The President and Vice-President of the company stated that the custom of the company in dealing individually with its employees would not be changed and that no committee in the choice of which the management had not some voice would be received.

### CO-OPERATION INVITED

Only a few weeks after this award the Midvale Steel and Ordnance



Company and its subsidiary, the Cambria Steel Company, invited all their employees to meet the officers to consider plans for mutual co-operation. The President in inviting the employees to the conference said:—

"The directors and officers of the companies, recognizing the fact that the prosperity of their companies is inseparably bound up with the general welfare of their employees, propose with the co-operation and assent of their employees, and for their mutual interests, to establish a plan for representation of employees, which will hereafter govern all relations between the companies and their employees.

"We recognize the right of wage earners to bargain collectively with their employers, and we hereby invite all employees to meet with the officers of their respective companies for the purpose of considering, and if practicable, adopting a plan of representation by the employees, which shall be thoroughly democratic and entirely free from interference by the companies, or any official or agent thereof.

"It is hoped that every employee will respond to this invitation and meet with the officers of the company in the spirit of fair dealing and mutual helpfulness."

Commenting on the companies' plan for co-operation, The Wall Street Journal of September 24, characterizes it as "one of the most important and far-reaching labor movements started in the history of the iron and steel trade."

## INDUSTRY IN AUSTRALIA

The extent of industrial organization in Australia was emphasized by Mr. Hughes, the Prime Minister, in a speech at a meeting of the British Empire Producers' Association, on July 24. "In Australia," he said, "the manufacturers and producers in each industry get together in an association, and elect representatives to a

council, who act as an executive for the industry. No firm is forced to join the association, but all are free to do so. This council is the guardian of the industry; considers its circumstances, and how best to promote its welfare. The Government does not interfere in any way. The industry finds out its weak parts and applies the appropriate remedy. Where this remedy is not at its disposal, it makes a request to the Central Council of Industry, which is composed of representatives from each industrial council. On this the Government has a representative, the Director of Industry. This Council of Industry is the nexus between the industries of the country and the whole people. It considers all recommendations made by these industrial councils—for financial aid, bonus, tariff, and the like—and, if it approves, makes its recommendation to the Government, which in its turn takes such action as is necessary. Closely affiliated with this Central Council and available also to the Industrial Councils is the Bureau of Science and Industry."

## IN THE DOMINION

As in Great Britain and the United States, so in Canada the necessity for exhaustive consideration and improvement of industrial relations is receiving increasing attention. In his first public address after his return from Great Britain, Sir Robert Borden at the Canadian National Exhibition on September 2, appealing to labor, said:—

"There is a direct and unmistakable relation between the labor of every man engaged in an essential industry or occupation and the hardship and sacrifice of those who stand in our battle lines. I do not overlook the fact that, if there be injustice or unfairness, it must be considered and dealt with and removed; but may we not all agree that this can be accomplished without resorting to crude and wasteful

methods, which diminish the national endeavor and weaken the national purpose.

"Not very long ago the great organization of Railway Employees sanctioned and accepted a policy which has been embodied in an agreement made between the Canadian Railway War Board and the Railway Brotherhoods and Orders. The Canadian Board of Adjustment, thus constituted by formal agreement, comprises twelve members, six of them representing the Canadian Railway War Board (which acts for the railway companies of Canada) and six of them representing the various organizations of employees. The powers conferred upon this board will, I believe, enable it to redress all grievances, and to adjust all differences promptly and satisfactorily. All need for strikes is avoided, transportation of food, munitions and supplies is not interfered with, the national effort is not weakened. The Canadian Board of Adjustment is to continue during the period of the present war and thereafter until it is terminated by 30 days' notice on either side. I am confident that its success will be as great as its purpose, and will amply justify its continuance as a permanent arrangement.

"Surely, as an outcome of this war, there will be some better understanding between employers and employed, and more reasonable methods of settling differences. Men speak to-day of the possibility that the peace of the world may be secured by the establishment of a league of nations. But how shall nation join with nation in a scheme of arbitration for enforcing the peace of the world if within the nation itself these important but minor difficulties between employer and employed cannot be settled without industrial war?"

#### THE RAILWAY AGREEMENT

Two days after the Prime Minister's speech it was announced

that an agreement had been reached between the Canadian Railway War Board and the Railway Employees Department removing causes of threatened trouble with the mechanical departments of the Canadian railways. Fourteen basic trades, employing 30,000 workers, and \$15,000,000 in wages, were involved in the settlement. The conclusion of negotiations was hailed as a signal event in railway history. It was the first time that all the roads had negotiated with such a large and important body of workers. The agreement constituted a vindication of collective bargaining. It provided for increases in wages, following the McAdoo scale, and it recognized the eight-hour day.

In July the Government, acting upon the recommendation of the Minister of Labor, made a formal declaration of certain principles and policies that should govern the relations between employers and workmen engaged in war production. In that declaration, the right of employees to organize in trade unions was specifically stated. It was further urged that all employees through their chosen representatives should be permitted and encouraged to negotiate with employers concerning working conditions, rates of pay, or other grievances. The declaration also provided for the creation of a Board of Appeal to hear appeals from recommendations made by the Conciliation Boards.

#### THE RIGHT TO ORGANIZE

The right of employees to organize was further emphasized in a public statement from the Minister of Labor who said:—"Perhaps in larger numbers than ever before complaints reach the Minister of Labor from working men that their employers forbid, upon penalty of dismissal, their becoming members of any labor organization. Upon investigation such complaints are generally found to have been well

founded. The Minister deeply regrets this attitude on the part of so many employers, believing it too well calculated to produce serious labor disturbances. He maintains that every man must be at perfect liberty to associate himself with his fellow-workers in any legitimate labor organization without thereby subjecting himself to penalties or discriminations of any character. He expresses the hope that employers may accept his attitude in this regard, and that hereafter no just cause for such complaints may arise."

Increasing Government attention to industrial questions has been indicated in the announcement that in order to keep in closer touch with labor conditions, a sub-committee of the Reconstruction and Development Committee of the Cabinet has been created under the chairmanship of Hon. G. D. Robertson. The duties of the sub-committee are:

(a) To investigate the social and economic conditions of the workers of Canada.

"(b) To recommend for the consideration of the Reconstruction Committee, policies and measures to be adopted in respect of labor problems both during the war and in the reconstructions period to follow."

Labor is well represented on both the sub-committee and the Appeal Board.

### NEW METHODS NEEDED

In opening the Canadian National Exhibition, Sir Thomas Shaughnessy, touching on the problems of reconstruction, said:—"Firstly there is the relation that must exist between the employer and employee. We cannot do our best if we have these periodical disturbances in industrial work that are so seriously unprofitable to both parties to the contest and cause the public such inconvenience. Something should be devised whereby the relations between the employer and the employee can be put on a

more satisfactory and more lasting basis. It has occurred to me that probably one of the difficulties we might overcome to begin with is the manner in which the subject of dispute is approached. In the past it has generally been the case that both parties combating did so with the determination of granting only the minimum that could be granted. If we could only reverse that and approach the subject with the desire of granting the maximum, I imagine an amount of trouble would be avoided. It might be met in a broader way. The plan recently adopted by the railway companies throughout the country of the appointment of a given number of railway officials and of a like number or representatives of the employees of the companies to take up and discuss, and so far as possible decide, every question that comes up between the companies and the men, would to my mind have the most beneficial results."

This association between labor and capital is the new spirit of the times. The changed industrial attitude that is apparent in Great Britain and the United States is discernible in Canada. In a manifesto issued on August 14, the Toronto Labor Party expresses its belief that "by the introduction of ethical ideals into industry; by recognizing that employers and employees are partners in the joint service of the community, the affairs of the community can be so ordered and regulated as to provide every human being with a normal happy life." The Canadian Reconstruction Association appeals to employers and industrial companies to have conferences with their workmen in order that the staffs of manufacturing and other business enterprises may have fuller knowledge of conditions affecting raw materials, available markets, the character and the degree of competition to which they are exposed and the problems of readjustment when peace is restored.

The Canadian Reconstruction Association is anxious to secure details of movements in Canada to establish better industrial relations. It will be glad to receive details of any such movements from employers and employees. Letters should be addressed to The Editorial Department, Canadian Reconstruction Association, Royal Bank Building, Toronto.

Copies of the reports of the Whitley Committee may be secured from H.M. Stationary Office, Imperial House, Kingsway, London, W.C. 2, England, price 1d.; of the Plymouth "Report on the Reconstruction of Industry," from W. H. Smith & Sons, London, England, price 3d.; of the "Report of a Conference of Bristol Employers and Trade Unionists on the Industrial Outlook," from Shipp & White, Kingswood, Bristol, England, price 3d.