

Canada. Parl. H. of C. Standing
Comm. on Industrial
Relations, 1958.
Minutes of
proceedings & evidence.

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HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

INDUSTRIAL RELATIONS

Chairman: R. H. SMALL, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

DEPARTMENT OF LABOUR ESTIMATES, 1958-59

THURSDAY, JULY 3, 1958

FRIDAY, JULY 18, 1958



WITNESSES

Hon. Michael Starr, Minister of Labour; Mr. A. H. Brown, Deputy Minister of Labour; Mr. G. C. Cushing, Assistant Deputy Minister of Labour; Mr. J. Mainwaring, Acting Director, Economics and Research Branch; Mr. J. Francis, Division Chief, Economics and Research Branch; Mr. J. G. Fletcher, Actuary, Annuities Branch; Mr. Bernard Wilson, Director, Industrial Relations Branch.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE
ON
INDUSTRIAL RELATIONS

Chairman: R. H. Small, Esq.,
Vice-Chairman: T. Ricard, Esq.,

and Messrs.

Allmark,
Beech,
Benidickson,
Bourdages,
*Brassard (*Lapointe*),
Browne (*Vancouver-
Kingsway*),
Caron,
Cooper,
Deschatelets,
Drouin,
English,
Graftey,

Granger,
Houck,
Lafrenière,
Lahaye,
Loiselle,
MacInnis,
MacLean (*Winnipeg
North Centre*),
Mandziuk,
Martini,
McDonald
(*Hamilton South*),
McWilliam,
(*Quorum 10*)

Mitchell,
Muir (*Cape Breton North
and Victoria*),
Noble,
Peters,
Pigeon,
Skoreyko,
Smith (*Winnipeg North*)
Spencer,
Stanton,
Weichel—35.

M. Slack,
Clerk of the Committee.

*Replaced on Wednesday, June 18, by Mr. Martin (*Essex East*)

ORDERS OF REFERENCE

House of Commons,
TUESDAY, June 3, 1958.

Resolved,—That the following Members do compose the Standing Committee on Industrial Relations:

Messrs.

Allmark,	Granger,	Mitchell,
Beech,	Houck,	Muir (<i>Cape Breton North and Victoria</i>),
Benidickson,	Lafrenière,	Noble,
Bourdages,	Lahaye,	Peters,
Brassard (<i>Lapointe</i>),	Loiselle,	Pigeon,
Browne (<i>Vancouver-Kingsway</i>),	MacInnis,	Ricard,
Caron,	MacLean (<i>Winnipeg North Centre</i>),	Skoreyko,
Cooper,	Mandziuk,	Small,
Deschatelets,	Martini,	Smith (<i>Winnipeg North</i>)
Drouin,	McDonald	Spencer,
English,	(<i>Hamilton South</i>),	Stanton,
Grafftey,	McWilliam,	Weichel—35.

Ordered,—That the Standing Committee on Industrial Relations be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its opinions and observations thereon, with power to send for persons, papers and records.

WEDNESDAY, June 18, 1958.

Ordered,—That the name of Mr. Martin (*Essex East*) be substituted for that of Mr. Brassard (*Lapointe*) on the said Committee.

MONDAY, July 7, 1958.

Ordered,—That the Standing Committee on Industrial Relations be empowered to print, from day to day, 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence and that Standing Order 66 be suspended in relation thereto.

Ordered,—That the said Committee be granted leave to sit while the House is sitting.

WEDNESDAY, July 9, 1958.

Ordered,—That items numbered 170 to 180 inclusive, as listed in the Main Estimates 1958-59; and items numbered 571 to 573 inclusive, as listed in the Supplementary Estimates for the fiscal year ending March 31, 1959, relating to the Department of Labour, be withdrawn from the Committee of Supply and be referred to the Standing Committee on Industrial Relations, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

FRIDAY, July 4, 1958.

The Standing Committee on Industrial Relations has the honour to present the following as its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print, from day to day, 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence and that Standing Order 66 be suspended in relation thereto.
2. That it be granted leave to sit while the House is sitting.

Respectfully submitted,

R. H. SMALL,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, July 3, 1958.

The Standing Committee on Industrial Relations met at 9.30 a.m. this day for organization purposes.

Members present: Messrs. Beech, Bourdages, Browne (*Vancouver-Kingsway*), Caron, Grafftey, Houck, Mandziuk, Martini, Mitchell, Noble, Pigeon, Ricard, Small, Stanton, Weichel—15.

Mr. Stanton moved, seconded by Mr. Mandziuk, that Mr. R. H. Small be the Chairman of this Committee.

There being no further nominations, Mr. Small was declared duly elected as Chairman.

The Chairman thanked the Committee for the honour conferred on him. He stated that he expected the Estimates of the Department of Labour to be referred to the Committee at an early date.

On motion of Mr. Browne, seconded by Mr. Grafftey,

Resolved,—That Mr. Ricard be Vice-Chairman of the Committee.

On motion of Mr. Houck, seconded by Mr. Ricard,

Resolved,—That permission be sought to print, from day to day, 750 copies in English and 250 copies in French of the Committee's Minutes of Proceedings and Evidence.

On motion of Mr. Beech, seconded by Mr. Noble,

Resolved,—That a subcommittee on Agenda and Procedure, composed of the Chairman and six members to be named by him, be appointed.

Moved by Mr. Ricard, seconded by Mr. Mandziuk,

That leave be asked to sit while the House is sitting.

Carried on division.

At 9:50 a.m. the Committee adjourned to the call of the Chair.

FRIDAY, July 18, 1958.

(2)

The Standing Committee on Industrial Relations met at 9.05 a.m. this day. The Chairman, Mr. R. H. Small, presided.

Members present: Messrs. Browne (*Vancouver-Kingsway*), Caron, English Grafftey, Lafreniere, Lahaye, Loisselle, MacInnis, Mandziuk, Martini, McDonald (*Hamilton South*), McWilliam, Mitchell, Peters, Ricard, Small, Stanton, and Weichel—18.

In attendance: The Honourable Michael Starr, Minister of Labour; *From the Department of Labour:* Messrs. A. H. Brown, Deputy Minister; G. C. Cushing, Assistant Deputy Minister; B. Wilson, Director of Industrial Relations Branch; J. Mainwaring, Acting Director of Economics and Research Branch; J.

Francis, Division Chief of Economics and Research Branch; G. Schonning, Division Chief, Economics and Research Branch; W. Drinkwater, Editor of Labour Gazette; P. R. Parent, Director of Administration; W. W. Dawson, Director of Special Services Branch; R. Ford, Director of Training Branch; J. G. Fletcher, Actuary of Annuities Branch; and Miss M. Royce, Director of Women's Bureau.

From the Unemployment Insurance Commission: Messrs. J. G. Bisson, Chief Commissioner; J. McGregor, Director of Insurance Branch; W. Thomson, Director of Employment Service; and W. K. Rutherford, Director of Administration.

The Chairman read the Committee's Orders of Reference.

The Chairman announced the composition of the Sub-Committee on Agenda and Procedure comprising the following members: Messrs. Small, Browne, Houck, Mitchell, Muir (*Cape Breton North and Victoria*), Peters, and Ricard.

The Committee proceeded to the consideration of the Main and Supplementary Estimates 1958-59 relating to the Department of Labour.

Item numbered 170—Departmental Administration—was called; Mr. Starr made a preliminary statement and was questioned.

Copies of "Organizational and Functional Charts" of the Department of Labour were distributed to the Committee.

Item 170 was allowed to stand.

Item 171—To provide for expenses of the Economics and Research Branch—was considered, the Minister and his officials supplying information and answering questions thereon.

Item 171 was adopted.

Item 172—Administration of Annuities Act—was considered, the Minister and his officials supplying information and answering questions thereon.

Item 172 was adopted.

Item 571 (Supplementary)—Administration of Annuities Act—was called and adopted.

Item 572 (Supplementary)—To authorize the payment of interest, in the current and subsequent fiscal years, out of the Government Annuities Account—was called and adopted.

Item 173—Industrial Relations Activities—was considered and questions answered by Messrs. B. Wilson, A. H. Brown and G. C. Cushing.

At 10.55 a.m. the Committee adjourned until 9.00 a.m. Wednesday, July 23, 1958.

M. Slack,
Clerk of the Committee.

EVIDENCE

FRIDAY, July 18, 1958.

9:00 a.m.

The CHAIRMAN: Gentlemen we have a quorum. I think we can start now. Ordinarily it has been the custom to take the first item of the estimates and then hear a statement from the minister of the department. We open up the estimates by calling the general item of administration and then leave it in abeyance until the committee's work is over so that we can come back to any one item if we see fit. That is the procedure which has been followed heretofore and I think we will adhere to it.

We will take as read the members that composed the standing committee on industrial relations. It was ordered that the standing committee on industrial relations be empowered to examine and inquire into all such matters and things as may be referred to it by the house; and to report from time to time its opinions and observations thereon, with power to send for persons, papers and records.

We will now take items 170 to 180 inclusive as listed in the main estimates

I think it would be in order to hear from the minister, Mr. Starr, at this time.

Hon. MICHAEL STARR (*Minister of Labour*): Thank you Mr. Chairman.

The operations of the Department of Labour are fairly well known to most hon. members. However, Mr. Chairman, I would like to preface the discussion of the estimates with a brief statement in regard to those matters which may be of special interest to the members of the committee.

The main estimates of the Department of Labour and the Unemployment Insurance Commission total \$84,891,842. In addition to that there are supplementary estimates being requested which amount to \$1,547,435. That brings the total to \$86,439,277. This is an increase of \$3,832,946 over the amount of \$82,606,331 which was provided for in the 1957-58 operations.

the increase can be explained largely by the fact that an additional \$1,905,000 will be required to meet our commitments with the provinces under the Vocational Training Coordination Act; \$190,000 more will be required to cover government contributions to the unemployment insurance fund—a net increase of \$676,000 in the administration cost of the Unemployment Insurance Commission. There are other small increases which appear in some of the other votes of the estimates.

I think the hon. members would agree with me that these small increases can be dealt with when we come to the particular items in which they are contained.

At this point, Mr. Chairman, I would like to mention a change in the presentation of the estimates this year as compared with 1957-58. There are a number of smaller votes which appeared in the estimates last year and have been amalgamated with the main departmental administration vote. Specifically they are: expenses of international labour conferences; expenses of the Women's Bureau; Labour Gazette; development and special manpower and labour management programs. This was done in order to reduce as much as possible our over-all requirements by providing greater flexibility without interfering with essential services or handicapping our existing programs of work.

With regard to staff I think it would be well if we dealt with this subject in two parts. The first part concerns the staff of the Department of Labour proper as distinct from the Unemployment Insurance Commission.

Provision is made for 643 positions in the Department of Labour proper. This is a slight reduction in the figure for 1957-58 which provided for 646 positions. That is, there are three less positions provided for in these estimates than in the previous estimates.

Speaking in regard to the estimates of the Unemployment Insurance Commission I am asking for 7,924 positions as compared with 7,776 for 1957-58. This is an addition of 148 full time positions. These extra positions are necessary to meet the increased work load which has been and is carried by our national employment service offices. I think I can explain that item at greater length when we are dealing with the item in which this appears. That item is No. 179.

In speaking of staff, Mr. Chairman, I should like to acknowledge with gratitude the valuable service of the personnel of the Department of Labour and the Unemployment Insurance Commission. Since I took over the responsibilities of both of these departments a little better than a year ago I have found the members of my staff most cooperative; helping, as it were, a person who was probably floundering around a great deal at the beginning and still is in many instances. I have found them to be a tower of strength in work which I have had to perform. I think there is widespread recognition and appreciation of the good work that they are doing because I find that the Department of Labour and the Unemployment Insurance Commission had wonderful records in the past, and are good organizations.

I am taking this opportunity, Mr. Chairman and members of the committee to express my warm and sincere gratitude to all of them for what they have done in helping me to discharge my responsibilities. I think that is all I have to say at the moment, Mr. Chairman.

I feel that as we come to each item I would ask the person who is in charge of a particular section make a brief statement; that is, when we come to the item covering annuities, or any other section of our department, those people who are conversant with the work of that particular branch would then make a statement.

Also, for your guidance and help, we have had prepared Department of Labour organizational and functional charts in order that you may know the composition of our department as we are considering the estimates.

I think that is all, Mr. Chairman.

The CHAIRMAN: You have all had these functional charts handed out to you. If you examine them you will see on the corner the number of the item, on the left-hand corner, which will be an aid as to what item is under discussion, and who is in charge of the department.

Before starting I might take this time to announce the steering committee: Mr. Browne, Mr. Houck, Mr. Mitchell, Mr. Muir, Mr. Peters, Mr. Ricard and myself.

We will now take the first item, general administration.

GENERAL ADMINISTRATION

Item No. 170. Departmental Administration, including grants as detailed in the Estimates and the expenses of the International Labour Conferences (also includes the former Labour Gazette, Women's Bureau and Manpower Utilization Votes)	\$1,067,166
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The CHAIRMAN: The general administration item includes the amount of detailed information contained in the estimates and expenses of the international labour conferences and also covers the former Labour Gazette, Women's Bureau and manpower utilization. The first item is \$1,067,166. Do you wish to hear from the department on that?

Mr. STARR: Are there any particular questions? We have the people here to answer them.

Mr. BROWNE (*Vancouver-Kingsway*): You mentioned the former "Labour Gazette"?

Mr. STARR: Yes.

Mr. BROWNE (*Vancouver-Kingsway*): The Labour Gazette is being published now, is it not?

Mr. STARR: Yes.

Mr. BROWNE (*Vancouver-Kingsway*): What change has been made from the former Labour Gazette?

Mr. A. H. BROWN (*Deputy Minister, Department of Labour*): That reference is only to the fact that the Labour Gazette used to be a separate vote and now the vote is included in the over-all administration.

The CHAIRMAN: If I remember, Mr. Browne, you had one delivered to you yesterday.

Mr. BROWNE (*Vancouver-Kingsway*): I did, and that is why I wondered why it was referred to as a former one.

Mr. STARR: In other words, it was dealt with as a separate item under a separate heading; now it is amalgamated with general administration.

The CHAIRMAN: Then we will take the next one, 171:

Item No. 171. To provide for expenses of the Economics and Research Branch,
including research grants and related expenses \$663,198

Mr. STARR: Mr. Mainwaring is here and I would like Mr. Mainwaring to make a brief statement before the committee. He is the acting director.

Mr. J. MAINWARING (*Acting Director Economics and Research Branch, Department of Labour*): Well, first, the economics and research branch is the central federal government agency for economic analysis and research in the labour field. Our interest is in the Canadian worker and employer in their joint problems of employment and industrial relations.

This leads us into a variety of types of study, as you will see from your organization chart. The chart is on page G. We collect information and undertake studies on topics ranging from wages, hours of work, industrial pension plans, union organization, collective agreement provisions, strikes and lockouts, industrial injuries, to such topics as employment trends, manpower resources and requirements, training needs, and the problems of special groups such as older workers, professional and technical workers, and so on.

The branch conducts regular surveys as a basis for some of this information. It also conducts occasional ad hoc surveys and it makes a good deal of use of data derived from other sources, particularly the Dominion Bureau of Statistics.

To carry out its work the branch has to maintain close consultation with employers, unions, universities and other interested groups. Consultation is often informal, through contacts maintained by branch officials, but there is also necessarily a good deal of committee and conference activity.

Senior officers of the branch are sometimes called upon to assist in the development of departmental policies. They work with representatives of other federal departments and with provincial departments. They also do a good deal of background work in connection with meetings of the ILO, and are sometimes called upon to attend meetings of that organization, either in an expert or delegate capacity. They also make a contribution to the work of OEEC and other inter-governmental organizations.

As much as possible of the branch's work is made available not only to the federal government, but to the general public. This is done through the Labour Gazette and through various regular and special reports issued by the branch.

The branch is a recognized source of information and advice on the subjects with which it deals. For example, at the request of the Gordon Commission it prepared a report, printed by the commission, on skilled and professional manpower in Canada, and also prepared working documents on immigration and the Canadian economy, on trade union links between Canada and the United States, and on comparative earnings between Canada and the United States, which was used by the commission.

The branch also responds to a good many specific requests for information from employers, unions and government agencies. Its work is of particular value to unions and management, in their collective bargaining negotiations, in that the factual information and the analysis which it presents is recognized as being balanced and objective.

I should emphasize that the branch is above all a service agency. Its work is carried on in order to be of help to the administrative work of the department, to other branches of the federal government, to other governments in Canada provincial and municipal and to unions and employers.

This information is of particular value to unions and management in their collective bargaining negotiations and with the factual information that it presents is recognized as being balanced and objective.

The work of the branch falls into two broad fields—labour-management relations and manpower, and as you can see from the chart, organizationally the branch has three divisions concerned with its program, which are:

- (1) the labour-management relations division;
- (2) the employment and labour market division; and
- (3) the manpower resources division.

Administrative services for the branch are carried on by a fourth division, office services.

Labour-management relations is the oldest area of study within the branch. Some of our statistical material in this area goes back to the turn of the century.

In recent years, as you all know, there has been a very great growth in trade unionism and collective bargaining, so much so as to strongly affect the character of our industrial life. As an illustration of this growth, I need only mention that trade union membership doubled during the war and has doubled again since. The extent of collective bargaining has increased proportionately.

Parties to collective bargaining negotiations sometimes feel they can be helpful in reaching a settlement by the use of factual information, and they often come to us for material on average wage rates and working conditions and on trends in collective bargaining. Each year there are more of them to request such information, and each year there are a larger number of collective bargaining relationships for us to study, so our work has increased.

We attempt to measure what is going on in the labour-management area in various ways—looking at the growth of trade union membership, both nationally and by industry, region and locality; and we measure also collective agreement coverage. This gives a picture of the extent of collective bargaining in the country.

We are also interested in the degree of success achieved by labour and management in negotiating their collective bargaining agreements. For many years we have had good statistics on situations where collective bargaining negotiations break down and a strike or lockout ensues. More recently, as a

result of a program undertaken in cooperation with the provincial departments of labour, we have been compiling uniform statistics on conciliation activity undertaken by various departments of labour. These, we hope, will throw light on more positive aspects of collective bargaining, since it provides information on the extent to which parties are succeeding in settling, with assistance, negotiations which had reached the dispute stage. These new conciliation statistics will also, we hope, throw light on the nature of the conciliation process and the stage in the conciliation procedure at which disputes of various kinds are being settled.

Then, looking at the results of collective bargaining, the branch maintains a file which includes copies of almost all the collective agreements which are in effect in Canada and we study the contents of a sample of these agreements, both as to wage changes and as to the incidence of particular clauses, such as seniority, grievance procedure, union security and so on.

Of course a great deal of our work goes beyond the unionized sector of industry. Our annual survey of wage rates, for example, covers some 14,000 establishments in various branches of industry. This survey provides information on the average rates being paid to people in various occupations within particular industries and areas. It also elicits information on salaries paid to office workers.

Our annual survey of working conditions goes to the same mailing list and gives us information on such matters as hours of work, length of paid vacations, number of paid holidays, and the incidence of fringe benefits, such as pensions, group hospital-medical benefit plans, supplemental unemployment benefit, plans, profit-sharing and so on.

All this information is compiled to meet government administrative needs and the needs of labour and management. We are constantly under pressure to get it out more promptly. This has led us to give a good deal of attention to improvements in our survey techniques, processing methods and methods of publication. We feel that we have made, and are making, considerable progress in this respect and it has helped us, we think, to make more effective use of our clerical staff.

I have dealt so far with the statistical and factual information which we provide. Broader analysis and research, as you will see from your chart, is provided by a separate group within the labour-management division. It is a comparatively new group and we have had some problems in acquiring and retaining properly qualified staff.

Broadly, the functions of the research group are threefold, corresponding with our three survey areas: collective bargaining, wages and working conditions.

The committee may be particularly interested in one line of study being carried on in this group. It has to do with some of the problems of older workers. We report on pension plans in relation to unemployment problems of the older worker, study the performance of older workers in a particular industry, the industry we selected being the retail trade, and we have a study under way of the way in which collective bargaining affects the problem of the older worker.

The publications of the labour-management division include four major annual reports dealing with labour organizations, strikes, wage rates and working conditions, articles for the *Labour Gazette*, including a special monthly analysis of trends in collective bargaining, and occasional special reports.

I turn now to the employment and labour market division. This division has the responsibility of keeping the government and the public informed about employment conditions. Each month we analyze the demand for and the supply of labour for Canada as a whole, as well as by region and by

industry. The division makes a continuing study of business trends to determine the reasons for current economic developments. It obtains its basic information from national employment service reports, from statistics on the work of employment offices, from statistics of the labour force and employment and payrolls emanating from the Dominion Bureau of Statistics' surveys, and then it gets information from interviews with employers and from other sources.

This division works on the monthly press release which interprets the statistics on employment and unemployment in the country as a whole and by region, and then puts out a much more detailed analysis in the *Labour Gazette* which studies the situation by local labour national area as well as by region.

You will note that in this division considerable research goes on concerned with specific topics in the manpower field. For several years research material has been provided for the government's winter employment program. The results of a survey of employers in eighteen seasonal industries were published in 1954 under the title "Seasonal Unemployment in Canada," of which more than 24,000 copies were distributed. Another fact book on Canada's seasonal unemployment problem was prepared recently for the conference on national winter employment just concluded.

Assistance is given to the Women's Bureau of the department in research of various kinds. We helped the bureau in the preparation of a handbook "Women at Work in Canada", giving a considerable number of facts on the number of working women, their earnings and the nature of their employment. We also helped with a second study, this time dealing with married women, published recently under the title "Survey of Married Women Working for Pay in Eight Canadian Cities". The demand for both these publications has been heavy. Further work concerning women's employment is continuing.

Along somewhat similar lines to the fact book on women at work in Canada is a study now close to completion dealing with the older worker in the labour force.

The manpower resources division is the second of the two divisions in the manpower field. Its function is to deal with longer-range problems in the employment area. These concern Canadian manpower supplies and requirements. Thus, while the employment and labour market division specializes mainly in current analysis, the resources division is concerned with longer-range questions.

The functions of this division are likely to be quite flexible over the years to meet changing needs for study. At the moment there are three major areas of work: professional manpower; occupational information, and training needs.

These three areas of study are, in fact, closely related. The purpose in each is to learn more about the challenge posed to our society by the great technological advances of this century, and the adequacy of our manpower resources to meet this challenge and the development of our manpower resources to meet this challenge.

Problems of professional manpower have, of course, come very much to the fore in recent years, since many people in Canada are concerned as to whether our manpower resources in the professional field will be sufficient to meet the developing needs.

In 1956 an advisory committee on professional manpower was set up, to give the Department of Labour the benefit of the views of professional associations, universities, employers' groups and others, and in our research program in this field we are trying to study the changing characteristics of our engineering and scientific manpower resources. Our work is based, in the first instance, on a register of scientific and technical personnel, which contains records of more than 75,000 persons. These records are kept up to date by a three-year

cycle survey technique in which a representative one-third of the register is surveyed each year. In this way, none of the information on hand is ever more than three years old and reliable information is secured each year for the analyses of changing trends.

The data obtained from the register are analyzed in various ways. We try to show the number of workers in various professional fields, the nature and extent of their education, the type of work they have done, the proportion who have been trained outside of Canada, and their average salaries and other professional income.

Our analyses of changes in the supply of workers in various professions also take into consideration: the number graduating each year from our colleges and universities; the immigration of professional workers; emigration to the United States; and the extent to which Canadian students go to the United States for further study and education.

This gives us a picture of the supply of professional workers and to help gauge the demand we survey employers every two years, requesting information on the numbers and kinds of professionals that they employ. They give estimates of their probable requirements over a period of two or three years, of any recruitment difficulties they may have been experiencing or anticipating and the effects that such shortages as they have had on their operations, and this material is being published in a series of bulletins called "Professional Manpower Bulletins."

Moving to the occupational analysis field we prepare a number of monographs, pamphlets and film strips which are useful for educational guidance purposes.

Our research program in the field of training of skilled and technical manpower, is one of the most recent developed in the department, and the branch participates heavily in this work. The program is being carried out in cooperation with provincial departments of labour and of education and other interested agencies. Started in 1956, and making considerable use of field studies, it is aimed, broadly, at analyzing changing requirements for skilled manpower, at determining the paths followed by workers in acquiring a skill and evaluating these in relation to changing technological developments and appraising existing training facilities.

I think, Mr. Chairman, this concludes my brief outline.

The CHAIRMAN: Thank you, Mr. Mainwaring.

Mr. STARR: I might say, Mr. Chairman, in bolstering the information here we show an increase of \$25,893,000. That is made up mostly of salary allotments and in office supplies. We have provided for the purchase of a Justo. We have not purchased it as yet, but we hope to do that to facilitate the production of the monographs and pamphlets in that department.

Mr. GRAFFTEY: Mr. Chairman, under the professional manpower section is it the opinion of the director that our professional manpower requirements of the future will have to be largely by a certain high degree of immigration; in other words, will our own natural birth rate and educational processes fill the requirements of our professional manpower needs?

Mr. BROWN: I am going to ask Mr. Francis to answer that.

Mr. J. FRANCIS (*Chief of Manpower Analysis Division, Department of Labour*): Mr. Chairman, perhaps the best way to answer that is to say that in the past ten years, that is, reaching back to the end of World War II, and actually in the past five years immigration of professional manpower has been a very substantial source of such workers to the Canadian economy. I think our feeling is, in a study we did recently for the Royal Commission on Canada's Economic Prospects that the emphasis would shift in the future

and we think we ourselves will produce a larger proportion of our needs for this type of worker if for no other reason than, as you all know, the number of young people coming forward is increasing very rapidly even now.

I do not think I can say anything more perhaps than that. That is a shift in emphasis. In the past five years we have relied quite heavily on immigration. In the future we think the emphasis will shift and we will be relying much more heavily on our own sources and our own people.

Mr. McDONALD (*Hamilton South*): Mr. Chairman, under the labour market analysis section where you have the five economic regions in Canada, immigration is coming into Canada and one section says it is going to be better next year. Is there any liaison between the Department of Labour and the Department of Citizenship and Immigration to channel these selected type immigrants to the better economic regions?

Mr. STARR: Yes, that is quite so. I have had the experience recently when I went to the international labour conference of visiting our Labour office and this Labour office is in the same group of offices as the Citizenship branch, the branch of Immigration and Citizenship. I understand it is the same everywhere in the world where we have an office, that is, the Department of Labour. We work in close liaison with the Department of Immigration in that respect.

Mr. MANDZIUK: Mr. Chairman, I was wondering in compiling these analyses if you work with the labour departments in each of the provinces?

Mr. BROWN: Yes, we have an active arrangement with a number of provinces for the compilation of certain data in which we have a common interest. It is rather limited to the compilation of statistics on industrial accidents and that sort of thing. We work very closely with them and we provide a great deal of service for these provincial departments.

We meet together yearly, there is an annual conference of administrative people in the federal and provincial departments and there are many problems that we discuss at those conferences.

Mr. GRAFFTEY: Mr. Chairman, that leads me to a question I would like to ask about. I hope I am not getting off this particular item of the estimates, but before we get into the question, I know I am speaking for myself, could we have a brief statement from one of the officials with regard to federal and provincial jurisdiction in the field of labour?

I think, Mr. Chairman, that would probably keep a lot of our questions down. I know if we could have a very brief statement from one of the officials on the jurisdictional position of the federal and provincial authorities it would shorten the time of the committee.

The CHAIRMAN: If he could do it briefly he is going to be good.

Mr. BROWN: Well, Mr. Chairman, I will be glad to make a short statement on that if you like.

Generally speaking, the major field of industrial relations is within the jurisdiction of the provinces. It comes under the head of civil rights. However, under the provisions of the British North America Act the legislative authority to regulate certain specific types of industries falls within the jurisdiction of the federal parliament.

Now, the industries which are specifically assigned to the federal field are actually set forth in our Industrial Relations and Disputes Investigation Act. They are recited there and I will just go down the list of works and undertakings.

First we have all works and undertakings carried on in connection with navigation and shipping. Then we have railways, canals, telegraphs and other works and undertakings which extend beyond the limits of provinces or connect

one province with another. Then, we have the question of interprovincial shipping which also falls in the federal field; and ferries between one province and any other province.

Then all works and undertakings and businesses in the air transportation field are federal. Radio and television broadcasting is federal. Then we have a general category—works and undertakings which, although they are wholly situated within a province are declared by the parliament of Canada to be for the general advantage of Canada, or for the advantage of two or more provinces.

Now, to give you an example of that type of situation where parliament has declared an undertaking which would otherwise be within the provincial field to be a work for the general advantage of Canada I will take you back to the time when the Canada Grain Act was first enacted and it was designed to regulate the transportation and grading of grain and that sort of thing. At that time all the grain elevators on the railway sidings and terminal elevators were declared to be works for the general advantage of Canada and consequently that declaration has had the effect of bringing them within the field of federal jurisdiction.

There are a number of isolated declarations of that type also that we have. Flour mills were declared some years ago to be works for the general advantage of Canada in connection with the operation of the Wheat Act and we have seen other instances of that nature.

That pretty generally covers the field of specific federal jurisdiction. The work we have been doing in the economics and research field, of course, is of a different category; that is a service type of operation.

The CHAIRMAN: Anything else?

Mr. McDONALD (*Hamilton South*): Mr. Chairman, Mr. Brown in his statement talked about keeping control of the students of universities who are graduating in a professional field. Could he inform us how many of these students we are losing to the United States?

Mr. FRANCIS: Mr. Chairman, I do not think I can inform you as to why but I can give you the numbers.

I can give you some figures on emigration to the United States of professional workers.

Mr. McDONALD (*Hamilton South*): Do these figures have regard to professional workers or people who have graduated from universities?

Mr. FRANCIS: Yes. I am sorry. These have regard to professional workers. Professional workers are by definition graduates from universities.

This number has increased over the last few years from about 3,000 to approximately 6,000. In 1957, the latest date for which we have data, there were approximately 6,300 emigrating to the United States. In 1956 the figure was 5,300.

Mr. CARON: Would this emigration be due mostly to the higher salaries?

Mr. FRANCIS: I think it would be very difficult to say what it is due to mostly. I think it is probably due to a range of factors, and salary would be one.

The CHAIRMAN: Perhaps this would be due to the inducement and incentive to go elsewhere.

Mr. FRANCIS: I was just going to add that the figures which I have mentioned are not the number of people who graduate each year and go to the United States. These figures cover the number of people who have graduated in any year.

Mr. McDONALD (*Hamilton South*): Would those figures apply perhaps to people who graduated from universities other than Canadian universities?

Mr. FRANCIS: That is right. Those figures could well apply to people who were trained somewhere else.

The CHAIRMAN: Have you got the reverse figures?

Mr. FRANCIS: The figures in regard to immigration, yes. The immigration of professional workers in 1957 was 16,000, as compared to the figure for emigration, which was 6,300. The immigration figures have varied much more than the emigration. In 1956 we obtained 9,000—

Mr. McDONALD (*Hamilton South*): Are those figures for the same type of person that we lost?

Mr. FRANCIS: Yes.

Mr. BROWNE (*Vancouver-Kingsway*): Would a portion of the emigration figures include some of the immigrated persons

Mr. FRANCIS: Not immediately because the quota system which they have in the United States rates people for entry on the basis of where they were born, not the place of last residence. Even though a person came to Canada and was here for several years he would still be considered as a person from the country of his birth by the authorities in the United States.

Mr. BROWNE (*Vancouver-Kingsway*): It has been suggested that some of these professional workers come here with the idea of entering the United States from Canada.

With reference to the moneys voted to the research branch in regard to industrial relations, I hope we can be enlightened as to the cures for these disputes. The statistics which I have had available to me so far indicate that British Columbia seems to be worse off in respect of man hours lost because of strikes than the rest of the country. I am wondering if the department has reached any conclusions as to why that situation exists and what the solution to it is.

The CHAIRMAN: I think you are getting away from this item.

Mr. BROWNE (*Vancouver-Kingsway*): This question may well come under the industrial relations branch. I think Mr. Francis mentioned that—

Mr. STARR: This branch does research work for the industrial relations branch. I think probably your question could be asked when we reach the industrial relations activities item.

Mr. BROWNE (*Vancouver-Kingsway*): I am particularly interested in whether any conclusions have been reached as a result of the gathering of these statistics with regard to industrial relations and disputes.

Mr. MACINNES: That category of disputes possibly would come under provincial jurisdiction, I would imagine it would depend on the category in which the disputes are placed whether it is provincial jurisdiction or federal jurisdiction.

Mr. BROWN: That is correct.

Mr. BROWNE (*Vancouver-Kingsway*): My understanding is that these statistics are not only confined to federal disputes, but to provincial disputes as well.

Mr. BROWN: The statistical field covers both federal and provincial disputes.

Mr. BROWNE (*Vancouver-Kingsway*): In other words it would not make any difference whether the dispute was actually under provincial legislation or not, these statistics would cover that?

Mr. BROWN: Yes.

Mr. BROWNE (*Vancouver-Kingsway*): There must be some distinction as between provincial disputes and federal disputes. I think it must be

generally agreed that British Columbia has a much higher rate of lost time than any other province. I would like to know what conclusions have been formed from these statistics in that regard.

Mr. BROWN: I would say this to begin with; the percentage of workers who are organized in British Columbia is higher than in any other part of Canada. Whether that has any relation to the percentage of man days lost, I do not know.

There is also the question that a number of these industries that are organized in British Columbia, as far as collective bargaining is concerned, are organized on an industry basis. When they have a strike it is a big one. For instance, the woods industry in British Columbia; if you have bargaining between the industrial woodworkers the whole woods industry is involved. I cannot go beyond that at the moment. I do not know whether any of the other men have information available in that regard or not.

Mr. FRANCIS: I do not think so, Mr. Brown. We published statistical information in that regard but whether it is broken down by provinces or not I do not know.

Perhaps this is just a bad year for British Columbia. I do not know whether this is a constant situation or not.

Mr. BROWNE (*Vancouver-Kingsway*): That is exactly what I was trying to find out. I wanted to know whether the department had formed any conclusions over a period of time as to whether this was constant, and whether it was going to continue to be that way.

Mr. FRANCIS: I do not have those figures with me.

Mr. GRAFFTEY: Mr. Chairman, I was wondering if in view of recent press comments, the director could inform this committee to what extent, in his opinion, action by foreign labour leaders ties up Canadian economy. We have read a lot of general press comments in that regard and I was wondering if the director could give us some information as to how this comes about.

Mr. BROWN: I think that is a speculative situation. You are asking the director of the industrial relations branch to speculate on how something might happen. I do not think we are in position to undertake that speculation, sir.

Mr. GRAFFTEY: I am not asking a question in regard to what might happen, I am asking a question in regard to what, in the opinion of many people, has already happened. Is it true that action on the part of foreign labour leaders has an effect on Canada's economy, and if so, how does it happen?

Mr. BROWN: I think all of this sort of thing is hypothetical speculation. I do not think we are in a position to provide a hypothetical reply.

The CHAIRMAN: I think you are working on an assumption there, Mr. Grafftey. I think we should get back to a consideration of these estimates.

Mr. GRAFFTEY: I think this is a very important assumption. We have heard, Mr. Chairman, that there is foreign control of Canadian labour unions. I am sure the scientific research branch of the Department of Labour has certain information in this regard.

Mr. STARR: I can say this, Mr. Chairman, that the choice of a bargaining agent is up to the people who enter into the unions. They make the choice in regard to their bargaining agents. Whatever has come about has been the result of free choice on the part of those members of the unions in regard to the people they want representing them as a bargaining agent with industry or other form of utility.

The CHAIRMAN: We are dealing with item 171. Are we finished with that item now?

Mr. STANTON: Industry is becoming more and more mechanized year by year. Is the department giving ever increasing thought to the training of our citizens to fill these vacancies?

The CHAIRMAN: Would you repeat that question again, Mr. Stanton?

Mr. STANTON: As our industries become more and more mechanized each year, is the department giving ever increasing consideration to the training of our citizens in order that they may fill these vacancies which may exist?

The CHAIRMAN: That question would come under the item dealing with the training branch.

Mr. STARR: That question comes under item 177.

The CHAIRMAN: Could we leave that question, Mr. Stanton, until we are considering item 177?

Mr. STANTON: Yes.

Mr. BROWNE (*Vancouver-Kingsway*): Just before we leave the item dealing with economics and research, I would like to say that statistics are all very well but if we are not going to have conclusions formed as a result of these statistics, but collect the statistics and then file them away somewhere without conclusions or breakdowns, I do not see that there is much value in them as such. If there is some comprehensive report as to conclusions brought forward as a result of these statistics then I can see the value in them. If the Department of Labour is not going to be in a position to say what their conclusions are as a result of these statistics I do not see the value in them at all.

Mr. BROWN: A great many studies are carried out by this branch. These studies are based on statistical surveys and so on. The results of these studies are published in the Labour Gazette from month to month and are also published from time to time in pamphlet form. This is really a question of priority in selecting the things that can be done in the way of study with the resources which we have.

If you are interested in those studies I will be glad to furnish you with copies of studies in regard to subjects which you indicate you are interested in. If you would like I will let you have a list of some of the studies that have been published and you can look it over.

Mr. BROWNE (*Vancouver-Kingsway*): Thank you.

Item agreed to.

GENERAL ADMINISTRATION

Item No. 172. Annuities Act—Administration \$1,178,839

Mr. BROWN: Mr. Chairman, the annuities branch administers the Government Annuities Act which has been in force since 1908. Under the provisions of that act there are two classes of annuities sold. One type is a contract entered into by individuals for the purchase of an annuity for the life of one person or two persons jointly.

The second type of annuity sold is a contract entered into by an employer for the purchase of annuities for employees, and the employer registered under the contract.

As far as the individual types of annuities that are sold are concerned, we sell two types; the immediate annuity, which is purchased with a single sum of money and which comes into effect immediately, and the other type of annuity which is purchased generally on the installment plan over a period of years.

In the last fiscal year there were between \$62 million and \$63 million received in premium income and between \$38 million and \$39 million paid out in annuities.

In regard to staff operation, we have a total of 175 employees. This represents a reduction of 37 people in the staff during the last eight years. That has been accomplished by greater mechanization in the handling of records and so on, although the volume of business handled has increased in the meantime.

I think that completes the short statement covering the operations of the branch.

Mr. MACINNIS: Mr. Chairman, in regard to the group division; in the event an individual wishes to withdraw or does withdraw from a group plan for reasons of his own, what is the attitude of the annuities branch in regard to reimbursing him for the share that he has paid into this group plan?

Mr. STARR: Mr. Chairman, under the act a person who has contributed sufficiently so that at the retirement age of 65 his pension exceeds \$10 per month then he is unable to recoup his contributions. If his contributions have not been sufficient at the age of 65 to pay him \$10 per month or \$120 per year then he is able to have his contributions refunded to him.

Mr. MACINNIS: What I had in mind at the moment was a group plan in effect where the individual himself had no say in regard to the type of plan he wished to participate in. In other words he is participating in a plan that was sanctioned and signed by the executive officers. He and some other individuals belonging to this union had no opportunity, or did not in this case sign the applications.

These individuals went along with the plan that was introduced by their executive officers but later found it was not to their liking and discontinued their payments. They have now made representations to have their contributions refunded to them.

It seems to me in this case that the union executive officers may have slipped up in that they did not have the individuals sign the necessary forms.

Mr. BROWN: The annuities administration of the act has always operated under the provisions of the act as a savings plan. That is really the justification for the plan. It is a plan of systematic savings. There never has been a cash surrender feature in regard to government annuities. That is the major distinguishing feature between government annuities and those annuities which are sold by private commercial firms.

However, your employers who wish to underwrite an annuity contract have to make a choice as to whether they are willing to purchase a government annuity without a cash surrender feature or an annuity with a cash surrender feature, in which case they must go to a commercial firm.

In order to reinforce the provisions of the Government Annuities Act, which as I say provides for systematic savings and does not make provision for cash surrender feature, there is provision in the act which protects the equity of a purchaser of an annuity from seizure or assignment. There is a provision in the act which says any effects or interest under that act are not subject to transfer either in law or in equity.

I do not think you can introduce into this act a cash surrender feature while at the same time having the provision there which protects the moneys against seizure. There would be an inconsistency then.

Mr. BROWNE (*Vancouver-Kingsway*): I understand that but while these individuals are willing to place a certain amount of responsibility on their union executives, is there not a certain responsibility on the part of the annuities branch to see that individuals applying to any group must first sign an application form, or at least sign some form showing their willingness to participate in that group plan?

In other words, we have a group of men here that at no time signed any type of agreement but are now covered under a blanket policy signed

by their executive officers. They find the plan is not to their liking, and through no fault of their own they find it is not advantageous to them and have ceased to participate in it. Where does the responsibility in this respect belong? Does it belong entirely with the executive officers, or does a portion of that responsibility belong to the annuities branch so that that branch could make sure the individuals agreed to the plan in writing in the first place?

I know that at no time did they give their executive officers any signing power. I believe the individual must have some authority.

Mr. J. G. FLETCHER (*Actuary, Annuities Branch, Department of Labour*): Gentlemen, the general practice of the annuities branch is not to issue any annuity without the consent of the annuitant. Therefore I am at a loss to understand this particular situation where the union has undertaken to purchase annuities for sundry members without the consent of those members.

I think in order to answer the question we would have to have the name of this case and an opportunity to look into the particulars.

Mr. McDONALD (*Hamilton South*): Would it be possible, sir, for this union to type up their own application form, inserting the application form in part of this pension plan so that the government annuities branch could have their people sign this? Does the government annuities branch insist upon individuals signing an application to the government annuities branch?

Mr. FLETCHER: Yes, we do.

Mr. STARR: May I suggest, Mr. Chairman, that if Mr. MacInnis knows of a particular instance of this happening, that he bring it to the attention of Mr. McCord, the head of the annuities branch in order that we may look into the situation.

Incidentally, this is not the practice which the annuities branch follows.

Mr. MACINNIS: Yes, I will take it up with the branch.

Mr. PETERS: In regard to this matter of group plans, are those plans signed solely with the union, or is the company involved? Would the company not be involved?

Mr. BROWN: The employer is involved, yes.

Mr. STARR: It is an employer-employee participation plan.

Mr. PETERS: The union actually does not enter into this particular field.

Mr. McDONALD (*Hamilton South*): Almost in every instance, if collective bargaining is involved, the union enters this field.

Mr. MACINNIS: Is it not possible to have two-way participation plans, or three-way participation plans?

Mr. BROWN: You can have two-way participation plans or one-way participation plans which may be underwritten solely by the employer, or it may be a contributory plan between the employer and the employees.

Mr. PETERS: Is it not true, Mr. Chairman, that you cannot have a three-way plan? A union cannot enter into this type of plan; the employer would have to enter into it with the employee.

Mr. BROWN: The actual group contract is between the department and the employer based on an agreement between the employer and the employee. In other words it may come as a result of an agreement arrived at by collective bargaining by the union and the employer.

There are, of course, plenty of group contracts which are underwritten by a trusted plan where the union and the company name trustees. You may have joint administration. However, that type of undertaking is something in which the government annuities branch is not a party.

Mr. PETERS: Mr. Chairman, on this matter, is it not true that the only place a union can enter into agreement with the annuities branch of the federal government would be when they were an employer in their own right?

Mr. BROWN: That is correct.

Mr. MACINNIS: It boils down to this; when you are doing business with a group of employees numbering perhaps in the thousands, you do business not with the individuals but with the union representatives who are the bargaining agents for the employees of that company. The company, the individuals and the annuities branch are involved in a transaction of that type.

Mr. BROWN: Our contract is formed with the employer in order to give effect to a pension plan which is worked out by agreement between the employer and the employee. In that plan the agreement is one which has been worked out by negotiation between the employer and the union.

Item agreed to.

Supplementary items 571 and 572 agreed to.

Item No. 173. Industrial Relations activities, including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, and Regulations, and the promotion of labour-management co-operation \$593,133

Mr. STARR: I will ask Mr. Bernard Wilson to make a statement in that regard.

Mr. Bernard WILSON (*Director, Industrial Relations Branch, Department of Labour*): Mr. Chairman, and gentlemen, the industrial relations branch has a great many duties and responsibilities. This branch performs a great many functions some of which are as old as, or older, than the Department of Labour, and some of which are relatively new. I will not take up your time by telling you what we do or what each specific function is.

You will see in the left-hand corner of the chart that we administer various existing labour acts. We also have a very important advisory and liaison function through labour, management, government departments and the general public in the matter of labour relations.

Under the Industrial Relations and Disputes Investigation Act, of course, we appoint conciliation officers and conciliation boards and industrial inquiry commissioners to deal with disputes which are within federal jurisdiction as distinct from those which are within provincial jurisdiction. We administer the Fair Wages and Hours of Labour Act which specifies the labour standards which will go into government contracts for construction, supplies and equipment. In connection with all those functions there are a great many subsidiary duties and responsibilities that we undertake. We administer the Female Employees' Equal Pay Act the federal Annual Vacations Act and we also share in the work of government departments and make recommendations on the rates of pay which will be given to government employees who are employed on a prevailing rate basis.

We do the administrative work for the Canada Labour Relations Board which, as you know, certifies bargaining agents to represent units of employees. It also has a number of other functions.

Looking over the chart you will see there that we also have the labour-management cooperation division, which is not based on any specific legislation but which is government policy, and under which the department and the branch encourages the formation of labour-management joint consultation committees.

I think, sir, that is the statement.

The CHAIRMAN: Thank you, Mr. Wilson. Does anyone wish to ask any questions?

Mr. GRAFFTEY: Mr. Chairman, I feel myself—this is just a personal opinion—at times the labour movement as such is out of sympathy with the actual labourer himself. Mr. MacInnis' question on the annuities branch has pos-

sibly brought that up. Does the assistant deputy minister feel that improvements in certification procedures might bring the labour movement into closer and better harmony?

Mr. WILSON: Just what would you mean by "improvements in certification procedures"?

Mr. GRAFFTEY: Do you feel, sir, that certification procedures as they exist today tend to create a state of affairs whereby union officers and union officials do not actually represent the true certification of the rank and file in various industries?

Mr. WILSON: That depends on your labour relations board. Your labour relations board is charged with the first job of seeing that the bargaining agent is properly chosen and if the evidence discloses—and I think the labour relations board is careful about that—if the evidence discloses that it is not just does not get certified.

Mr. GRAFFTEY: Is it hard to get conclusive evidence?

Mr. WILSON: Oh, no, the labour relations board scrutinizes original payroll records of the employees and their union membership, signed applications of the employees.

Mr. MACINNIS: Sometimes to the extent of 70 per cent?

Mr. WILSON: Well, of course, where there is a doubt a vote is possible, but in many cases where you get membership in good standing in support of an application or certification, that is, in support of bargaining agent it is not conclusive in itself without taking a vote. Where it approaches the 50 per cent just on the line on which it must establish itself, then the labour relations board usually will order a vote. It is just done by an employee marking his ballot whether he wants a particular bargaining agent to represent him or not. Then the department appoints returning officers to see that it is a representative vote.

Mr. GRAFFTEY: He does not have too much of a choice, does he?

Mr. WILSON: He can answer yes or no. He has to cast an ordinary ballot. The question is: "Do you wish such and such an organization to bargain collectively with your employer?" And the ballot holds the words "Yes" and "No" and he must make an X opposite his choice like in any other election. Where there are two unions concerned, of course, he has a choice.

Mr. MACINNIS: In many cases it is under provincial jurisdiction?

Mr. WILSON: Our jurisdiction in the federal field is about 500,000 employees so that collectively the ten provinces are much larger numerically and, of course, they have a different type of jurisdiction too to ours. Ours is in what you might call the interprovincial or international transportation and communications field primarily, of course, as Mr. Brown explained—airlines and other operations as well, works for the general advantage of Canada.

Mr. PETERS: Mr. Chairman, what would be the justification for putting the uranium mines under federal jurisdiction and to what extent has that been applied?

Mr. WILSON: We did not do it, parliament did it. That was declared to be a work or undertaking to the general advantage of Canada.

Mr. BROWN: Perhaps I can supplement that by saying that uranium was regarded as a strategic material and when they established the Atomic Energy Control Board which had complete authority over the output of uranium, one of the incidental parts of that legislation and really the basic part of the legislation was this declaration which declared these uranium operations both

in the mining and extracting stage and in the stage to be to the general advantage of Canada. This was all operated under the Atomic Energy Control Board.

Mr. PETERS: Following that up what is the reason for many of these certifications being granted by a provincial government after that, after the setting up of the atomic commission? I am wondering why this change was made about a year ago where many of the mines had to be recertified under federal jurisdiction and yet that jurisdiction has now to all intents and purposes been returned to the provincial government?

Mr. BROWN: It is a matter for the provincial board to determine whether it is going to accept an application for certification, whether it feels it has jurisdiction to accept it, and my impression is that provincial boards were accepting these applications for certification on all types of operations over a period of time and did not weigh the question on the point of jurisdiction. It was only a couple of years ago the question of jurisdiction was raised before one of the provincial boards and the thing went to court and the court's decision which clarified the situation was then handed down.

Mr. PETERS: Well, Mr. Chairman, to what extent does the federal industrial relations branch handle the certifications which are now under their jurisdiction?

Mr. BROWN: The board accepts them and deals with them.

Mr. PETERS: Well, Mr. Chairman, I would like to know to what extent because it is quite an important matter at the present time in regard to their certification and also the operation of those certifications, and I understand they revert back to the provincial government after the certification?

Mr. BROWN: That is not correct.

Mr. PETERS: Then, is the federal industrial relations board responsible for those certifications at the present time?

Mr. BROWN: All those that come to the board, yes.

Mr. PETERS: And a conciliation board required, is that set up by federal or provincial?

Mr. WILSON: We have had a number of boards established to deal with uranium operations.

Mr. PETERS: Are those officers of the provinces?

Mr. WILSON: No, we are dealing almost exclusively now with uranium operations. At times, as Mr. Brown said, the provinces had a doubt about their jurisdiction and they exercised jurisdiction, but that situation does not exist now, to my knowledge. The unions active in the uranium mining industry and the employers all know we have jurisdiction because of the court's decision which was given in the Ontario Supreme Court and they come to us. We have procedures now on our books affecting the uranium mining industry, not only mining but refining.

Mr. GRAFFTEY: Mr. Chairman, maybe this question is best asked under the item of economics and research, but I hope I will not be precluded here. Are you in possession, sir, of any statistics which would show to what percentage our union labour is controlled domestically and what percentage is controlled internationally?

Mr. WILSON: I think the proportion is 75-25, 75 per cent in international unions as opposed to 25 per cent in Canadian trade unions. That is, national organizations.

Mr. GRAFFTEY: Of course, sir, in the international aspect the degree of control in each instance is not always the same?

Mr. WILSON: Well, it depends on the organization, but our experience is that more and more the Canadian officers of international trade unions are exercising control.

Mr. GRAFFTEY: I want to make one thing clear, Mr. Chairman; I am talking about all unionized labour in the country, not just those that fall under federal jurisdiction.

Mr. WILSON: I am talking about the same thing.

Mr. STARR: I wonder if in this field Mr. Cushing, who has had vast experience, could say a word? He is prepared to do that.

Mr. GORDON CUSHING (*Assistant Deputy Minister of Labour*): Well, Mr. Chairman, Mr. Minister and gentlemen, I do not know just what the member meant by the word "controlled." I agree with what Mr. Wilson has said that certainly there is a growing emphasis actually quite rapidly over the last few years on Canadian management of the membership of international unions. I think I can give you examples which would indicate that trend.

Up until a very few years ago the former American Federation of Labour had a rather large organization staff in Canada. With the merging of the two national trade union centres in Canada that complete organizing staff was taken over by the Canadian Labour Congress, and with the merging in the United States of their two national trade union centres they withdrew all their organizing activities from Canada. So that in the international picture there was a clear line of demarcation between the two national trade union centres and it has been made explicitly clear at any rate in 1956 at the convention in Toronto by the president of the American Federation of Labour, Mr. George Meany that as far as he was concerned Canada was an autonomous trade union centre and would conduct its own affairs.

In the individual international unions you have seen a growth in the last few years of such Canadian operations under various terms—some call them Canadian conferences, some call them Canadian districts, some call them policy committees and so on. As such I could refer to the United Steelworkers Union who have now a Canadian district, also a national convention each year to set their as far as their Canadian membership is concerned.

The United Automobile Workers carries out the same performance. They hold what they call policy conferences and establish policy for their Canadian membership. Certainly there are visits from the officials of many of the international unions, who are predominantly United States citizens, to Canada. You might say a lot of those are good will missions. They come to see the membership that is in Canada and also there are visits from Canadian officials to United States units.

Also, during this last year, in May or the last week of April, an organization that has received a lot of publicity in Canada, the International Brotherhood of Teamsters established what they call a Canadian conference. Their first meeting was held at Winnipeg at the time of the second constitutional convention of the Canadian Congress of Labour and they too are an organization which predominantly sets the policy for their Canadian membership.

I think, reading the Canadian press, that might not be the presumption of all the public, but in essence this is what takes place. Mr. Dodds, who is a resident of Windsor, is the chairman of that Canadian conference at this moment.

I could go on and give you other examples but I think that is pretty well the growth, and certainly if you want to go back in history many, many years ago the former American Federation of Labour used to make a grant of money each year to assist the former Trades and Labour Congress in Canada for legislative purposes. That is how much domination there was at

that time, but that has gradually corrected itself and, as I say, I think the most complete separation was two years ago when on the merger of these two international trade union centres the United States national trade union centre completely withdrew itself from Canada and have gone on record publicly as saying as far as they were concerned the Canadian Congress of Labour is an autonomous national trade union centre operating in Canada.

The CHAIRMAN: I think what is bothering some of the members is, could you give an explanation as to the recent newspaper comments about Hoffa and his present relationship with the trusteeship of unions? Can you give us the details of how that affects us, or does it affect us?

Mr. CUSHING: Well, an international union, be it the International Brotherhood of Teamsters whose president is Mr. Hoffa or any other international union quite naturally hold international conventions and overall policies for that international union are established at that convention. Certainly at this moment in a number of those international unions the United States membership is considerably larger than the Canadian membership, and in many cases as a result policy that the Canadian membership might not be very happy with is adopted by that international union.

This other situation that has developed over the last few years of setting up Canadian conferences or Canadian districts wherein the American membership by itself states its own policy has more or less withdrawn the Canadian membership away from the international union, slightly certainly, not completely in all cases, but slightly.

The CHAIRMAN: You mean the policy is they hope to eventually get it under complete control, that is what they are working for?

Mr. CUSHING: I do not know, you are asking for a prediction. I do not know if the day will ever come when Canada will have its own national organizations in every field.

Certainly there are some, of course. The Canadian Brotherhood of Railway Employees and other transportation workers in the transportation field is the largest one under federal jurisdiction and the largest national organization in Canada, and the fifth largest as far as both international and national are concerned and there has been a growing tendency for Canadian membership of international unions to establish their own operations here in Canada. How long it would take or whether this will ever take place I do not know at this moment.

Mr. MACINNIS: On the question of international unions, what controls are applied to the funds, if any?

Mr. CUSHING: I would say in 99 per cent of the cases now, the funds of Canadian memberships are deposited in Canada and handled by a Canadian committee. I think I can refer again to the United Steelworkers which might be an example.

Mr. MACINNIS: If you do not mind my interjecting I am more interested in that one per cent.

Mr. CUSHING: I think you would find that one per cent are relatively small organizations in membership.

Mr. MACINNIS: Who today are sending a portion of their union funds into the United States?

Mr. CUSHING: Right. I think I can give you an example of that. The International Plate Printers organization did have two locals in Canada, both right here in Ottawa, the British American Bank Note Company and the Canadian Bank Note Company. I think their total membership in Canada is less than 100.

They have not the facilities to establish a Canadian organization as yet and these are the type of organizations that constitute that one per cent. But

your larger organizations where your membership is now running into many thousands, you will find that they have pretty well a wholly Canadian operation.

Mind you, for bookkeeping purposes and so on, their reports each month and their cheques might go to the United States locale for entering purposes but then the cheques are returned to Canada and deposited in Canada and a lot of the international unions have been investing their surplus money in government of Canada bonds.

Mr. GRAFFTEY: Mr. Chairman, from those statements as we all know, whether it is factual or not, from press reports and the general tenor of the whole thing, the public has this idea that possibly a man sitting in Washington or any place in the United States can make a union decision which could tie up operations in Canada.

Now, I am not saying that is right or wrong but we see allegations to that effect. From your statement generally speaking would you say this could not happen?

Mr. CUSHING: Well, I think history will indicate that. There has been the odd occasion of threatened strikes in Canada when labour relations in the same company and the same union have been defective in the United States, but I do not think it has actually taken place. I think the best example there to refer to is the automobile industry where the collective bargaining in the United States and the collective bargaining in Canada are separate and apart from each other and I do not think Canadian membership at any time has gone on strike in sympathy with something that is done in the United States. So that while this may be the general indication in the press of the country, there is no history that has borne that out.

Mr. MACINNIS: Is there any restriction placed on these investments by international unions in Canada whereby at a future date they would be unable to remove any of these funds from this country, in other words, suppose an international union had a certain amount of money banked in a Canadian industry or any amount of money invested in bonds or any investment whatsoever, is there anything to prevent them from coming in as an international union and removing these funds?

Mr. CUSHING: Not to my knowledge. The officers of the union are solely responsible for the finances of the union and if they find themselves in financial difficulty, I presume quite naturally they could come in and take that money out if they needed it.

Mr. MACINNIS: In other words, it boils down to this that these international unions will find themselves in a position whereby a certain portion of their union funds each and every month, or whatever period of time they use for payments, that might come in, can go across in the United States on the wishes of the international union?

Mr. CUSHING: That is correct. I suppose this could be said, and conversely so. On many occasions the international headquarters have had to put money into Canada to keep the Canadian operations going.

Mr. MACINNIS: And in some cases it has been draining back quite steadily?

Mr. CUSHING: That might be so and I refer to the Canadian automobile workers strike about five years ago when they had a very serious strike at General Motors and the Canadian operation went bankrupt and their international had to give them a very good deal of assistance at that time.

Mr. MACINNIS: But I can also state cases where in the event of a strike the international have seen fit to throw in a certain amount of support and once the strike has been over they place a levy on their members in addition to their regular fee to recover that money.

Mr. CUSHING: That is quite correct.

The CHAIRMAN: Gentlemen, can we finish this item, it is getting near time to close.

Mr. GRAFFTEY: Mr. Chairman, I think we are on a very important item.

The CHAIRMAN: It may be you can get some more information about this. Can you get any more than you have already had?

Mr. MACINNIS: I have a couple more questions.

The CHAIRMAN: Then if you cannot finish the item now, I would like to settle the matter of the next meeting which will be on Wednesday; but to get on with this we would like to have two meetings next week. The first Wednesday and the next Friday morning both at 9 o'clock because we have to be in the house at 11 o'clock. Would that be satisfactory to the committee?

Mr. GRAFFTEY: That is all right with me.

The CHAIRMAN: Then it will be next Wednesday and Friday mornings.

The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament
1958

STANDING COMMITTEE

ON

INDUSTRIAL RELATIONS

Chairman: R. H. SMALL, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

DEPARTMENT OF LABOUR ESTIMATES, 1958-59

WEDNESDAY, JULY 23, 1958



WITNESSES

Hon. Michael Starr, Minister of Labour; Mr. A. H. Brown, Deputy Minister of Labour; Mr. G. C. Cushing, Assistant Deputy Minister of Labour; Mr. B. Wilson, Director of Industrial Relations; Mr. J. Mainwaring, Acting Director of Economics and Research Branch; Mr. Ian Campbell, National Co-Ordinator Civilian Rehabilitation; Mr. W. W. Dawson, Director of Special Services; Mr. C. R. Ford, Director of Vocational Training; *and from the Unemployment Insurance Commission:* Mr. J. G. Bisson, Chief Commissioner; Mr. W. K. Rutherford, Director of Administration; Mr. W. Thomson, Director for Employment Service and Mr. J. McGregor, Director of Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE
ON
INDUSTRIAL RELATIONS

Chairman: R. H. Small, Esq.,

Vice-Chairman: T. Ricard, Esq.,

and Messrs.

Allmark,
Beech,
Benidickson,
Bourdages,
Browne (*Vancouver-
Kingsway*),
Caron,
Cooper,
Deschatelets,
Drouin,
English,
Grafftey,
Granger,

Houck,
Lafrenière,
Lahaye,
Loiselle,
MacInnis,
MacLean (*Winnipeg
North Centre*),
Mandziuk,
Martin (*Essex East*),
Martini,
McDonald
(*Hamilton South*),
McWilliam,

Mitchell,
Muir (*Cape Breton North
and Victoria*),
Noble,
Peters,
Pigeon,
Skoreyko,
Smith (*Winnipeg North*),
Spencer,
Stanton,
Weichel—35.

M. Slack,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, July 23, 1958.

(3)

The Standing Committee on Industrial Relations met at 9.10 a.m. this day. The Chairman, Mr. R. H. Small, presided.

Members present: Messrs. Allmark, Beech, Benidickson, Brown (*Vancouver Kingsway*), Caron, Cooper, English, Grafftey, Houck, Lahaye, MacInnis, MacLean (*Winnipeg North Centre*), Mandziuk, Martin (*Essex East*), Martini, McDonald (*Hamilton South*), Mitchell, Muir, (*Cape Breton North and Victoria*), Peters, Pigeon, Ricard, Small, Spencer, Stanton.—24.

In attendance: The Honourable Michael Starr, Minister of Labour; *From the Department of Labour:* Messrs. A. H. Brown, Deputy Minister; G. C. Cushing, Assistant Deputy Minister; B. Wilson, Director of Industrial Relations; J. Mainwaring, Acting Director of Economics and Research Branch; G. Schonning, Economics Research Branch; G. G. Greene, Director of Government Employees Compensation; S. Leeson, Assistant Director of Government Employees Compensation; Mr. J. Francis, Economics Research; C. R. Ford, Director of Vocational Training; Ian Campbell, National Co-Ordinator Civilian Rehabilitation; A. L. MacDonald, Special Services Branch; W. W. Dawson, Director of Special Services; and Mr. G. G. Blackburn, Director of Information.

From the Unemployment Insurance Commission: Messrs. J. G. Bisson, Chief Commissioner; W. Thomson, Director for Employment Service; W. K. Rutherford, Director of Administration and J. McGregor, Director of Insurance.

The Committee resumed its consideration of the 1958-59 Estimates of the Department of Labour.

Item 173—Industrial Relations Activities—was further considered and adopted.

Item 174—Civilian Rehabilitation Branch—was called and Mr. Ian Campbell having been introduced to the members of the Committee, was questioned.

Item 174 was adopted.

Item 175—Special Services—to provide for the expenses of the Special Services Branch—was called, and Mr. W. W. Dawson having been introduced to the members of the Committee was questioned.

Item 175 was adopted.

Item 176—Vocational Training Co-ordination—Administration—and Item 177—to provide for carrying out the purposes of the Vocational Training Co-ordination Act—were called and Messrs. C. R. Ford and I. Campbell were questioned.

Items 176 and 177 were adopted.

Item 178—Government Employees Compensation—Administration of the Government Employees Compensation Act—was called and Messrs. Starr, Brown and Green questioned.

Item 178 was adopted.

Item 179—Unemployment Insurance Commission—Administration of the Unemployment Insurance Act—was called.

Copies of a document "Comparative Table of Estimates and Organization Charts Unemployment Insurance Commission" were distributed to the members of the Committee.

Mr. Bisson read a detailed brief on the operations of the Unemployment Insurance Commission and was questioned. Mr. Starr, Mr. Rutherford, Mr. McGregor and Mr. Thomson also answered questions.

Item 179 was adopted.

Item 573 (Supplementary)—Unemployment Insurance Commission—Administration of the Unemployment Insurance Act—was called and adopted.

At 11.10 a.m. the Committee adjourned until 9.00 a.m. Friday, July 25, 1958.

M. Slack,
Clerk of the Committee.

EVIDENCE

The CHAIRMAN: Gentlemen, we have a quorum. We left off at item 173. I think Mr. Grafftey and Mr. Peters wanted to ask some questions. Does anyone else have any questions? We were at 173 and we could not carry it because there were some more questions to be asked at the last session. Has anyone any question to ask?

Is the item agreed to?

Mr. PETERS: Mr. Chairman, before it does, is that the section where we can discuss the safety in the uranium mines?

The CHAIRMAN: Well, it has to do with industrial relations disputes. Yes, it can come under that. It has to do with the operation of unions etc. I think I understand at the last session that was what you were concerned about, whether the federal authorities or the provincial authorities had jurisdiction. Is there anything you want to ask?

Mr. PETERS: Could we have a report from the inspectors if we have any on that situation?

Mr. BERNARD WILSON (*Director of Industrial Relations, and Chief Executive Officer of the Canadian Labour Relations Board*): Well, the Industrial Relations Branch does not administer any legislation that has directly to do with safety in any federal industry.

That would be a matter I suppose, of new legislation in the future. There are some divisions of government though, that do have jurisdiction with respect to safety in various federal industries, for instance, the Board of Transport Commissioners and the Department of Transport with respect to steamship and road safety. Then, I think the Department of Mines and Technical Surveys do exercise some jurisdiction over safety with respect to the transportation of explosives. But the matter that the hon. member has introduced is one now which is presently being administered—whether they have jurisdiction or not I would not say—by the Ontario government and its department of safety.

Mr. A. H. BROWN (*Deputy Minister of Labour*): I can amplify that, I think. The Atomic Energy Control Board issues licenses to uranium mine operators and one of the conditions of those licenses is the undertaking of the mining companies to comply with the provisions of the provincial mining safety regulations. I think the member probably has an interest in mining operations in Ontario.

The provincial mining safety regulations are applied to those uranium mines by the provincial department of mines.

Mr. PETERS: Well, does the federal government do any investigating on their own behalf into the investigations that are now taking place into safety conditions, for instance, in the Blind river area?

Mr. BROWN: No, there is a special mining investigation being undertaken by the provincial department of mines, by the inspector of mines for the province of Ontario.

Mr. BENIDICKSON: What about safety regulations and safety precautions in a crown company such as the Chalk River organization, is that provincial?

Mr. BROWN: That is under federal jurisdiction. We have in our government employees compensation branch an officer whose duty it is to promote

safety conditions in the public service and crown companies. As far as the operation up in Chalk River is concerned they have a very good safety set up up there with a safety officer and advisory council.

Mr. BENEDICKSON: Do you say one man does that in the federal service?

Mr. BROWN: We have a man whose job is involved in the promotion of safety. As far as the crown companies are concerned my understanding is that they comply with the provisions of the provincial safety regulations.

Mr. PETERS: Mr. Chairman, what is the relationship of federal government inspectors which you have in the labour department regarding the Northwest Territories, Yellowknife and the uranium properties there?

Mr. BROWN: Well, the question of mining safety in the Northwest Territories is under the territorial council, the territorial administration of the Northwest Territories. They have their own local ordinances and provisions up there.

Mr. HOUCK: Are accidents increasing or decreasing? Do you have any idea?

Mr. BROWN: I will ask Mr. Mainwaring. You mean in general?

Mr. HOUCK: In general, yes.

Mr. J. MAINWARING (*Chief of Research, Acting Director, Department of Labour*): We have not any statistics unless Mr. Green has them for the uranium industry.

Mr. BROWN: This was generally.

Mr. MAINWARING: I would have to look up the figures on that. I can get you the information fairly quickly.

Mr. PETERS: Mr. Chairman, in view of the fact that the federal government assumes the responsibility for this jurisdiction in the labour field, is legislation contemplated to allow the federal government to administer the complete certification in relevant fields under that jurisdiction?

Hon. MICHAEL STARR (*Minister of Labour*): At the moment to my knowledge there are no plans for any assumption of jurisdiction in that field. The provinces have been administering the safety of all these mines and evidently they have been doing a pretty fair job. Whenever this has occurred we have brought it to their attention and there seems to be no particular reason at the moment for the federal government to enter that field.

After all, we do only have a number of specific types of mines under our federal jurisdiction.

The CHAIRMAN: Does that answer your question? Are there any further question?

Mr. PETERS: Could I ask the minister if there is any intention of bringing the gold mining industry under federal jurisdiction for a similar reason that uranium companies were brought under federal jurisdiction, for the sale of the end product?

Mr. STARR: No, there are no plans to do that at all at the moment.

The CHAIRMAN: Anything else?

Mr. CARON: I see a reduction in the item about seasonal unemployment. Is there something new now added to that program this year?

Mr. McDONALD (*Hamilton South*): What page are you on?

Mr. CARON: It is combating seasonal unemployment.

Mr. STARR: We are still on industrial relations.

Mr. CARON: Excuse me.

The CHAIRMAN: Shall the item carry?

Mr. GRAFFTEY: I have a couple more questions I should like to ask Mr. Cushing following up the last meeting if I may?

The CHAIRMAN: Yes, very well.

Mr. GRAFFTEY: Mr. Chairman, I was wondering if in view of our discussion here last week regarding the matter of influence of American labour unions, could Mr. Cushing explain how he finds at least a press report of Mr. Hoffa's actions, how does that coincide with the remarks that were made last week regarding the lack of control by American labour unions in our own system?

At least in Friday's press report it had Mr. Hoffa dismissing one of our labour leaders. No doubt it was a very superficial treatment of the whole thing but I think we should have an explanation of the background there.

The CHAIRMAN: I do not know whether Mr. Cushing can answer that, it is not quite pertinent.

Mr. GORDON CUSHING (*Assistant Deputy Minister of Labour*): Well, I gather that the hon. member is referring to the Toronto situation in one of the teamsters' unions. There is a long history to that particular dispute between the local officers of that union and their international headquarters. As a result at elections about a year ago some of the officers were changed and you will notice in that press report that the president of that particular union now is a chap from Oshawa, and I think the report also indicated that while the majority of the executive of that particular local was still supporting Mr. Mills, the suspended member, the president of the local in his good judgment or otherwise had set up a trial committee within the local union and that committee had held a trial of the individual. They had brought down a report and while the press report does not indicate that was the basis on which Mr. Hoffa made his decision, it must be presumed that he had some direction or some report from the individual local union.

It must also be borne in mind that there is only one president for the international union and he must accept his responsibilities of office and presuming in this case that he received the report and the recommendation from the trial committee of the local union, he presumably acted on that recommendation and report.

Now, it is rather hard to pick all that out in the press story, but it is indicated in the press story that there was a trial committee within the local union.

Mr. McDONALD (*Hamilton South*): Would that be a trial committee of elected members of the union?

Mr. CUSHING: Of the individual local union, yes.

Mr. BENEDICKSON: Are there any members of that union engaged on rail-roading or federal enterprises?

Mr. CUSHING: That particular local, not to my knowledge. That is a building and construction union in Toronto who at one stage had all of the ready-mix cement drivers and building supply drivers and that type of membership and I think that local is still entirely composed of that type of membership with the exception of the ready-mix cement drivers who about two years ago split away from that individual local union, and established their own.

Mr. CARON: The express service for the railways, are they with the railroad unions?

Mr. CUSHING: No. In some cases, well, in most cases, they do belong to the teamsters international union. In other cases they belong to the Canadian Brotherhood of Railway Employees and Other Transport Workers. I think the division as between the two major railroads is that the employees of the Canadian National Railway belong mostly to the Canadian Brotherhood of

Railway Employees and Other Transportation Workers and the employees of the Canadian Pacific Railway belong to either the Brotherhood of Railway Clerks union or the Teamsters union.

Mr. HOUCK: Did you say the president of that union you were talking about was from Oshawa?

Mr. CUSHING: The president of this individual local, yes. I think his name is McDougall.

Mr. HOUCK: Is that going to be a matter of policy now that all our labour leaders come from Oshawa?

Mr. McDONALD (*Hamilton South*): That is a political question.

The CHAIRMAN: Are there any further questions? Shall the item carry?

Agreed to.

Item No. 174. Civilian Rehabilitation Branch, including payments to the Provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the Governor in Council.... \$197,035

Mr. STARR: Mr. Chairman, we have Mr. Ian Campbell with us, the director of this branch to introduce this item.

Mr. IAN CAMPBELL (*Director, Civilian Rehabilitation Branch, Department of Labour*): In this program we are concerned with the fact that according to the Canadian sickness survey of 1951 there was at that time one million Canadians under a substantial degree of critical disability. At that time they said that half of this number was seriously or totally disabled and that 650,000 of that group were of working age, although only 50,000 of those were employed.

Further, we know from the experience of the Department of Labour, labour force studies and from the provincial workmen's compensation boards and the work of many of our voluntary agencies that given additional medical treatment, given training and development in skills it is possible, if placed in suitable employment many of them can be productive citizens.

This program is concerned then with tying together at the federal level the work done by the Department of National Health and Welfare, the Unemployment Insurance Commissions, and the vocational training people and the Department of Labour tie all these groups together to make sure that the services they offer are in the overall concept of the legislation.

Secondly, we work with the provinces to assist them to develop their programs. It is a comparatively young program. The money was first voted for this purpose in 1953. Between 1953 and 1955 we have been giving support to the provinces to cover the coordination of rehabilitation services. They have been going through an organizational period.

However, in most of the provinces they have established administrative procedures and we are beginning to get facts that illustrate the value of this program.

It is difficult to get figures on a program of this type where at the local level you are involved in several departments of government and with a number of voluntary agencies. However, last year they did supply us with full details on 1055 cases. This is not the people that were served, but this is the number on which we have full details. Of these 1055 people, of that number, 831 had been on public assistance or had been dependent upon their families for support and the group had 820 dependants.

Given medical treatment, training, or whatever service they needed, they are all now working and against the cost for maintenance of \$948,000 during the first year of employment, they will earn \$1,860,000.

We are working towards a goal of 7,000 or 8,000 similar cases a year and I think we will reach that within a few years because all the provinces are just beginning to get going.

The increase in the estimates this year is based on the fact that the provinces have anticipated spending more money in this area than previously and we have added two new people to our staff who will be concerned chiefly with the problem of older workers.

Mr. BROWNE (*Vancouver-Kingsway*): Mr. Chairman, I wonder if we could be told how you work with the provinces. Is there a sharing arrangement for each case? Is there money put into it from both governments? I was thinking, for instance, of the ones that come under the compensation board in the province. Would we pay part of that cost?

Mr. CAMPBELL: No, that entire cost is borne by industry as assessment against payroll.

We are not concerned with them but we are working very closely with them. We share with the provinces the cost of people whose job is to coordinate services on provincial levels. They bring together the services offered by the Department of Health and Welfare and Department of Labour and try to work out on a regional basis a cooperative program of work with voluntary workers to get services to people there, health services and to supply money for the training of medical staff and the extension of rehabilitation services of these hospitals and rehabilitation centres.

Through the Vocational Training Coordination Act we share with the provinces the cost of the training of disabled people.

Mr. McDONALD (*Hamilton South*): What type of disabled people are you talking about?

Mr. CAMPBELL: We are talking about adults.

Mr. McDONALD (*Hamilton South*): Who have worked before?

Mr. CAMPBELL: No, not necessarily. Actually of this group I am talking about now 200 had never worked before.

Mr. McDONALD (*Hamilton South*): In these 200 people would there be some people who had been afflicted since birth?

Mr. CAMPBELL: Yes.

Mr. McDONALD (*Hamilton South*): Is there any attempt to get any of these people at earlier stages rather than wait until they are adults?

Mr. CAMPBELL: There are many programs for crippled children. One of the things we are discussing through the provinces is an adequate means of making sure when a crippled child becomes an adult he is referred to this program.

Mr. McDONALD (*Hamilton South*): Isn't it the responsibility of the provincial governments to look after this type of program with the crippled children or is it the responsibility of the federal government?

Mr. CAMPBELL: It is the responsibility of the provincial governments but there are grants to assist the provinces.

Mr. McDONALD (*Hamilton South*): Are these grants to enable the provinces to hire people to start certain programs in places like service clubs etc?

Mr. CAMPBELL: That is one of the things that can be done.

The CHAIRMAN: Shall the item carry?

Item agreed to.

Item No. 175—Special Services. To provide for expenses of the Special Services Branch including expenses for the promotion of a program for combating seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the Provinces under agreements entered into with the Provinces by the Minister of Labour with the approval of the Governor in Council, and the movement, reception, supervision and welfare of workers from outside Canada to work on farms and other essential employment where Canadian labour is not available to meet the need

\$602,618

Mr. CARON: I think that is the place to put my question. In 1957-58 for that program of combating seasonal unemployment—

Mr. McDONALD (*Hamilton South*): Mr. Chairman, on a point of order, I believe when each branch is called, the head of that branch is going to make a statement first.

Mr. CARON: No, on that point of order we can discuss that whole thing.

The CHAIRMAN: It is just up to the committee if they want to hear the official in charge of the operation.

Mr. CARON: It is the item "special services", the whole item comes under 175.

The CHAIRMAN: We are not trying to cut something off.

Mr. McDONALD (*Hamilton South*): Since the committee started we have always had, under each item first a statement from the person in charge.

Mr. CARON: Oh, sure, I am willing to wait for that.

The CHAIRMAN: All right, if it is the desire of the committee, Mr. Dawson will give you the details of the department.

Mr. W. W. DAWSON, (*Director, Special Services Branch, Department of Labour*): Mr. Chairman, the special services branch is presently engaged in three main activities—one we administer the federal-provincial farm labour agreements, we participate to some extent in the immigration program and the third item is the seasonal unemployment program which we participate in.

The farm labour section deals with the agreements with the provinces in the farm labour field. These agreements have been entered into continuously since 1942 and we bring the provinces and federal agencies together in an effort to make a supply of farm labour available and add greater mobility to the existing labour forces in that field.

In the immigration field our activities are somewhat less than they were in some previous years but we still operate a reception house at St. Paul l'Ermite outside Montreal. We also supervise the operation of an office in London, England and to some extent we represent the provinces in liaison with the Department of Citizenship and Immigration.

In regard to a seasonal unemployment program our participation is only a small part of the total effort in that field. Our branch does supply the secretariat for various government conditions. We are active in that field. We establish contacts with provinces and through them and otherwise with the municipalities and the vote for the federal expenditure in the publicity field is carried in our vote.

Mr. CARON: Would you compare 1957-58 and 1958-59 and give us any changes in the program for this seasonal unemployment.

Mr. STARR: Last year we provided in our estimates a total of \$150,000 which was quite a substantial increase from the year before. Then later on we asked for supplementary estimates amounting to \$41,000 which made a total expenditure of \$191,000 to promote winter employment this promotion was in two phases. One was the publication of informational material and the other was in regard to newspaper, radio, film and other publicity.

This year we have the same amount in our estimates, \$150,000, broken down into categories, \$10,000 for publication of informational material and \$140,200 for newspaper, radio, film and other publicity. Mr. Chairman, we intend to put on as great a drive for winter employment as we did last year and we will endeavour to bring about a more accelerated program this winter. If more money is necessary, we will be asking for more through the supplementary estimates, the same as we did last year.

Mr. McDONALD (*Hamilton South*): Mr. Chairman, on this point, are the provinces thinking of doing something similar to promote employment under their own labour departments across the country?

Mr. STARR: I do not know what they are planning, but they have been cooperating with us in our seasonal winter employment program drive. They have cooperated with the federal government in various plans that have been put forward by the federal government such as the clearing of roads and so on in the winter time in order to provide winter employment. Mr. Brown tells me they also have established interdepartmental committees which work closely with the federal government.

Mr. HOUCK: The question which I am about to ask has to do with the farm labour question in the fruit farming section of the Niagara district. Suppose a man is registered at the unemployment insurance office and they get him a job on the farm. A lot of those fellows refuse to go on the farm to work because of existing conditions such as long hours. What happens to that applicant?

Mr. STARR: Mr. Houck, would you mind leaving that until we come to the unemployment insurance item?

Mr. HOUCK: I will do that.

Mr. STARR: We will take your question up at that time.

Item 175 agreed to.

The CHAIRMAN: Under items 176—

Vocational Training Co-Ordination—Administration

and 177—

To provide for carrying out the purposes of the Vocational Training Co-Ordination Act

there were two deferred questions, one asked by Mr. Stanton and the other by Mr. Houck.

Mr. STANTON: In regard to item 177 I was wondering, due to the industry being more firmly mechanized year by year, is the department—

The CHAIRMAN: Excuse me Mr. Stanton. We generally follow the practice of having the official in charge of the department give an explanatory statement or an outline.

Mr. C. R. FORD (*Director of Training, Department of Labour*): The organization of the vocational training branch of the Department of Labour is set fourth in chart L. This chart also depicts the types of training programs which receive federal assistance under the provisions of the Vocational Training Coordination Act of 1942.

The functions of the vocational training branch are to administer the provisions of the act and to cooperate with provincial government officials, employers' organizations, organized labour and other federal government departments in promoting, organizing and developing all types of training programs designed to fit persons for employment as skilled workers or technicians or to upgrade such workers in their present occupations. The Department of Labour does not operate any vocational training schools or public training programs. The responsibility for providing such training rests with the provincial and municipal authorities.

The provisions of the Vocational Training Coordination Act, which is the legislative authority for this type of federal aid, may be summarized as follows.

The act authorizes the Minister of Labour to undertake and pay for training programs which are required:

- (a) to fit persons for employment contributing to the defence of Canada whether in industry or in the armed forces.

(b) to fit unemployed persons for gainful employment.

(c) to conserve natural resources vested in the crown in the right of Canada.

(d) to fit persons for employment for any purpose in the national interest which is within the legislative authority of the parliament of Canada.

It further provides that the minister may enter into an agreement with any province, for any period, to provide financial assistance for the following purposes

(i) any training project previously carried on under the Youth Training Act.

(ii) apprentice training.

(iii) training of supervisors in industry.

(iv) rehabilitation training for disabled civilians.

(v) training to increase the skill and efficiency of workers in agriculture, forestry, mining, fishing and other primary industries, including homemaking.

(vi) the development and operation of vocational and technical schools and courses at secondary level.

Provision is also made to share with the provincial governments in the cost of providing bursaries in the form of grants, loans, or a combination of both to worthy and needy students entering universities or who require such assistance to continue in degree-granting courses, except theology.

The conditions and regulations governing federal financial assistance to these various types of training are set forth in four federal-provincial agreements as indicated on chart L.

The first is the vocational and technical training agreement No. 2 which covers the five-year period ending March 31, 1962. This agreement provides for a total of \$40 million to be allotted to the provinces on the basis of the population in the 15 to 19-year age group. \$15 million of this amount is provided for sharing in operational costs of technical and vocational schools to be made available to the provinces by way of annual allotments. \$25 million is earmarked for sharing in capital costs. Priority is to be given to schools organized for providing trade or advanced technical training. The Yukon and the Northwest Territories and all provinces, except Quebec, have signed and are participating under this agreement.

The second agreement is the vocational training agreement which has been in effect for several short-term periods. It was renewed in 1954 for a further five-year period in all provinces except Quebec. The provision for student bursaries is renewable for one year only. The types of training projects are indicated in the block headed "special vocational training projects" on chart L.

The apprenticeship training agreement is in effect in all provinces except Quebec and Prince Edward Island. The latter province has no system of apprenticeship. Under this agreement, the costs to provincial governments for the training of apprentices in classes and for field supervision are shared on a matching basis with the federal government.

Under the vocational correspondence courses agreement the costs of preparing approved vocational correspondence courses are shared with the provinces. Approximately 120 such courses are now available to students in any part of Canada for nominal fees of from \$10 to \$25.

The Minister of Labour is assisted in the administration of the act by two advisory bodies, the Vocational Training Advisory Council and the Apprenticeship Training Advising Committee. These bodies represent provincial governments, management, organized labour, and other national bodies and organizations interested in the promotion and development of training programs.

Research activities and special studies which can best be undertaken by a central authority are undertaken by the branch in cooperation with the provincial authorities and with the help of other branches of the Department of Labour, particularly the administrative services branch, the information branch and the economics and research branch.

One such joint project is the analysis of skilled trades to determine the essential skills and knowledge required for full competency for the training of apprentices and skilled workers. To date seven analyses have been completed and distributed; there are ready for printing and two more are being prepared.

A study of existing facilities and courses for the training of skilled workers and technicians in publicly-operated schools is under way. This study is part of the departmental research project to determine the need for new and improved methods of training skilled workers and technicians to meet the changing requirements of Canadian industry.

One of the most urgent needs for apprenticeship continues to be the training of instructors for organized classroom and shop instruction of indentured apprentices. The branch has again arranged for a special teacher training course at the Ontario College of Education. Several provinces which do not have suitable teachers' training programs of their own are making use of this program as well as other departments of the federal government.

Other activities of the branch include the preparation of special reports and bulletins on various branches or aspects of vocational training, the convening of or participation in national and interprovincial conferences, and the dissemination of information which will help to promote various forms of training. Among the publications mentioned above are bulletins on apprenticeship, vocational training and vocational correspondence courses.

The CHAIRMAN: We will now receive any questions which members may wish to ask.

Mr. STANTON: The vocational training comes under the jurisdiction of the province. Has there been any increase in the assistance by the dominion department to the province along that line in the last year or two?

Mr. FORD: Under the first agreement I mentioned there is an increase of half a million dollars each year and \$25 million over a five-year period is being made available to help assist the provinces in developing capital projects. As well, the amount of money, which has been made available for apprenticeship training has been increased each year as the number of applicants increase. I think increased funds are being made available for training of disabled persons and unemployed.

Mr. STANTON: Could you give me the increased number of persons partaking of this assistance that is being given to them?

Mr. FORD: That is one of the most difficult questions to answer as we have to get accurate statistics from the provinces. As far as the apprenticeship training in classes is concerned, it has been increased in the last two years at the rate of 1,000 apprentices a year. The number of unemployed who are given training increased considerably during the last year. However, this figure fluctuates. An attempt is being made on the part of most provinces to provide training for all those referred for training by the national employment services.

Mr. BROWNE (*Vancouver-Kingsway*): One of the functions of this department is dealing with disabled persons and their rehabilitation. I was wondering when we had a special department set up to deal with that, which came under the previous item which we dealt with, why it would not be better administered under that department? I would also like to know what proportion of the money goes to rehabilitation services which is used in this department?

Mr. FORD: The part this branch plays in the rehabilitation program is that when these individuals are ready for training they are referred to an agency in the province which provides the training for everybody. In other words, they are making use of the existing facilities, and the funds to pay for these are provided for in the vocational training vote.

Mr. MACLEAN (*Winnipeg North Centre*): Are these different agencies run by the provincial governments in every province?

Mr. FORD: Yes.

Mr. MACLEAN (*Winnipeg North Centre*): The province of Manitoba also?

Mr. FORD: Yes.

Mr. MACLEAN (*Winnipeg North Centre*): How does the crippled children's society in Manitoba come into this, or does it?

Mr. FORD: Perhaps Mr. Campbell should answer this question.

Mr. CAMPBELL: In developing rehabilitation services in Manitoba they ran into a peculiar situation. In that province the provincial government had turned over to the Manitoba Society for Crippled Children the responsibility of supplying rehabilitation services to crippled children, and when they came into the extended program they appointed the Manitoba Society for Crippled Children a liaison government agency. There is a cooperative arrangement between the government and the society through which the province seeks out the disabled people, has them assessed and, working through the society, sees that they receive the services they need.

Mr. MACLEAN (*Winnipeg North Centre*): Is this done in any other provinces?

Mr. CAMPBELL: No, that is peculiar to Manitoba.

Mr. BEECH: I notice a considerable increase in most of the branches, but under "youth training" there is a reduction. What is the significance there?

Mr. FORD: One of the reasons is that Quebec has not been participating in this agreement and the amount of money previously made available for Quebec was taken out of our estimates this year.

Mr. STARR: If required, we can put through a supplementary estimate to cover the expenses if the province of Quebec signs an agreement with the federal government.

Mr. HOUCK: This question may be out of order and, if it is, would you advise me to this effect. What about our qualified professional workers or skilled workers and technicians? Are we lagging behind other countries in producing this type of man?

Mr. FORD: That is one of the surveys we are carrying on at the present time. I must say the program for the training of technicians and that which we call advanced technical training or post-high school is being developed rapidly in Canada. Part of the allotment provided here for capital projects is being earmarked or being referred for the development of such facilities. At the present time, practically every province is planning to increase materially the facilities for providing this kind of service.

Mr. HOUCK: What are we doing in the situation where we produce a professional man or a skilled worker, and an opportunity opens up in the United States and he leaves Canada? Are we taking any steps to combat that—or do you refuse to answer my question?

Mr. FORD: I think it is a two-way street, and that we are doing the same thing in relation to the United Kingdom.

Mr. STARR: I think at the last meeting a similar question was asked and the answer, if I remember correctly, was that we get about an equal number coming across the border from the United States into Canada, so that it balances off.

Mr. HOUCK: We still get quite a few from the United Kingdom do we not?

The CHAIRMAN: If you will read the report of the last meeting, Mr. Houck, I think you will see that Mr. Francis gave the answer that we were losing about 6,300 over a period of years to the United States. And when I asked about the reverse flow, it was just about three times that number coming into Canada from the different countries. It was more than over balanced.

Are there any other questions? If not, shall items 176 and 177 carry?

Agreed to.

Item No. 178. Government employees compensation—Administration of the government employees compensation act \$98,413

Mr. STARR: Mr. Green is the director of this department.

Mr. George G. GREENE (*Director of Government Employees Compensation Branch, Department of Labour*): Mr. Chairman and gentlemen: We administer the Government Employee's Compensation Act which applies, as far as compensation is concerned, to all members of the public service as well as employees of crown corporations and of certain other agencies of government.

There is a total of 215,000 now covered under the act, which is quite an increase from some years ago. And of that number, about 24,000 are employees of crown corporations.

Last year we took care of 16,269 accidents through the provincial work-mens compensation boards which are our agents for receiving applications and the paying of claims.

There is now under way a fairly good safety promotion campaign.

Last year we engaged a safety expert who is working with all departments now with the idea of reducing as far as possible the number of serious accidents. I think that good results will be seen from in the course of another year.

If there are any questions, I shall try to answer them.

The CHAIRMAN: Are there any questions on this item? There were not any deferred.

Mr. LAHAYE: When was the last revision of rates put into effect?

Mr. BROWN: The rates applicable under the Government Employee's Compensation Act are the rates which are applicable in the province where the civil servant carries on his employment.

In other words, the civil servant receives—or is dealt with on exactly the same basis as are the employees in private industry in the province where he carries on his employment.

Mr. STARR: The administration or the processing of claims is done in each and every province on the basis of their own rates. We supply a fund in each province from which they draw for the payment of these claims.

Mr. O'LEARY: And it is the prevailing provincial rate?

Mr. STARR: That is right.

The CHAIRMAN: Is the item agreed to?

Item agreed to.

UNEMPLOYMENT INSURANCE COMMISSION

Item No. 179. Administration of the Unemployment Insurance Act, including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the Governor in Council on the recommendation of the Minister of Labour in accordance with section 4 of the Act.... \$31,784,500

I believe we have Mr. Bisson, Mr. McGregor, Mr. Rutherford and Mr. Thomson with us.

Mr. Bisson is in charge of the department and I believe we shall be hearing from him.

Mr. STARR: Mr. Bisson has a statement covering the activities of the Unemployment Insurance Commission.

Mr. J. G. BISSON (*Chief Commissioner, Unemployment Insurance Commission*): Mr. Chairman and gentlemen, I very much appreciate having the opportunity of making a brief statement on the estimates of the Unemployment Insurance Commission. I shall refer to the comparative table of estimates and the organization charts which have been distributed to the members of the committee. I trust the information provided will result in better understanding of the operations of the commission.

Referring to the booklet you will note that there is a table of contents which shows the various organizational charts by number and a table comparing the estimates and expenditures from 1953-54 to 1958-59. There are three items in our estimates: Vote 179, administration of the Unemployment Insurance Act, \$31,784,500, plus a supplementary of \$1,489,434, Vote 573, or a total of \$33,273,934; the government's contribution to the unemployment insurance fund, \$39,500,000, which is a statutory item; and vote 180, transfer of labour, \$75,000. I shall deal with these items a little later on.

I shall first deal with the organization of the commission and would refer you to the chart on page 1, which shows the basic organizational structure. The commission reports to parliament through the Minister of Labour, is advised by the unemployment insurance advisory committee and the national employment committee, and is responsible for the administration of the Unemployment Insurance Act and regulations. To carry out the provision of the act the commission operates a head office in Ottawa, five regional offices, two hundred and two local offices and twenty-nine branch offices. Local offices report through regional directors to the executive director at head office who, with the assistance of branch heads, directs the administration.

I would now like to deal with our employment operation and would refer you to the chart on page 4, which gives an indication of the formal organization of one of our larger local offices. Under the Unemployment Insurance Act, this commission is called upon to operate an employment service. The objectives of this service are to find employment for any employable person, either male or female, if he or she registers with a local office, and, secondly, to refer suitable applicants to those employers who have notified the service of their job openings. The service also, in a general way, assists wherever and however possible in alleviating the unemployment situation. I know you are all familiar with the current efforts being made towards reducing winter unemployment in Canada.

If you will look at the chart on page 4 to which I have made reference, you will note that under the employment branch there is shown a men's and women's employment division. These divisions are comprised of sections based on occupational classifications and it is in these sections that we perform the actual work of registering applicants for work and make referrals to job vacancies. The officers of these sections also maintain continuous contacts with employers in the area and, acting as employer-relations officers, promote the service to employers in an attempt to have the employer register all his job openings with the office. The staff required for work of this type must be carefully selected and trained. You will appreciate that the better we are able to satisfy employers with a high quality of referral, the more vacancies are registered with our offices and the wider choice of employment is available to workers.

In addition to the men's and women's division, you will also note that specialized divisions are set up in our larger offices. We have a special placements and testing division where a special service is given to handicapped persons and to youth and other new entrants to the labour market. An executive and professional division is a special service given to what we term executive and professional applicants, which includes the placement of university graduates and for summer work, undergraduates. At many of the universities, officers from this division actually work on the campus and, in this way, keep in close touch with the graduates and undergraduates.

The clearance division of the local office offers a most important facility. If a local office does not have applicants registered or suitable for an employer's vacancies, the employer's order may be cleared or sent to other offices. The order can be sent first to adjacent offices then to offices in the same region and, finally, if necessary, across the entire country. At the end of June, 1958, there were 3,100 employers' vacancies in clearance. This clearance system also works to the advantage of the applicant, particularly in the skilled group. If a highly-skilled applicant is unable to be placed in the local area, his application may be cleared to other offices either within his own region or outside of it.

The employment public relations division is staffed with officers who are mainly responsible for the public relations work in the local office area. These officers maintain contact with employer and employee organizations and generally with the larger employers in the area.

While this is the form of organization in our larger offices, all these functions are carried out in all offices of the commission. We do not, of course, have the degree of specialization in the smaller offices as the volume of work would not warrant a staff large enough to have specialists in each of these fields. However, where the need arises, officers are trained and the applicant in the small office can and does receive a service as adequate as the service provided to those residing in a larger area.

If you will now refer to page 3, you will see the formal organization of the regional office and you will note that the employment branch is divided into four divisions.

It is the function of the regional employment branch to assist the local offices in carrying out the employment work. The general placements division is staffed by industrial specialists. These officers have an intimate knowledge of the problems of supply and demand in industry and by closely watching the employment situation in each office area, they are able to maintain a control and assist the local office in meeting its problems. They are also able to direct clearance orders arising in local offices, to areas where the labour may be available.

The special services division is staffed by officers who specialize in the field of special placements and executive and professional.

The regional co-ordinator of women's employment advises on problems arising in connection with the field of work for women while the assistant to the regional employment officer compiles labour market information and provides the local offices with assistance in connection with statistical analyses and local office procedures.

At head office, as you will note from the chart on page 2, the breakdown of the branch is very similar to that of the regional office and a similar function is performed by its officials on a national basis. There is, of course, the responsibility on the head office employment branch to advise the commission on policies affecting the operation of the National Employment Service. The branch must also plan and develop the procedures and practices necessary for carrying out the act and regulations.

I have given you hurriedly a description of the employment branch organization and now I would like to quote some figures to give you an idea of the volume of work which is done by the commission through its employment offices.

In the most recent fiscal year—April, 1957 to March, 1958—the offices registered 3,663,625 applicants for employment and 1,067,766 vacancies were listed by employers. The offices placed 858,411 applicants in employment. Almost 17,000 of the applicants placed were handicapped workers on whose behalf a special effort was made by officers trained in this work. Also among the placements made were workers for several large projects underway during the fiscal year such as the St. Lawrence River Seaway and Power projects, the Camp Gagetown construction in New Brunswick, pipeline construction in western provinces and Ontario, the DEW line, defence projects in Newfoundland and similar works.

Of the 858,411 placements some 34,000 were placements arising out of our clearance machinery, that is workers placed in employment located at some distance from their home areas. Many of these were for work of a temporary duration but a large number resulted in the permanent relocation of workers and their families.

When I speak of placing over 850,000 people in employment, the complexity of the selection process necessary for proper referral is often overlooked. Selection involves a careful recording of the applicant's skills, aptitudes, experiences, interests, etc. In some offices we maintain facilities for testing and in cases where there is a doubt as to an applicant's qualifications or skills, tests are sometimes administered with the sole idea of obtaining a clearer picture of what work the applicant is best fitted for. With each applicant, an occupational classification is arrived at. The system we use of classifying applicants occupationally permits the breakdown into the "world of work" of some 10,000 classifications. I tell you this as I want to impress upon you that the work of selection is a task that must be carried out with some considerable precision.

The taking of an employer's order is a side of our operation where we have to be no less precise. In addition to obtaining a clear description of the work to be done, there are many other factors to be considered—wage rates, hours of work, duration of employment, trade union membership—all are most important. Also, the legal provisions of provincial and other legislation must be observed. All of these have a bearing in effecting a proper matching of man with job.

Vocational misfits are liabilities because they are most likely to make mistakes that cost money. They are prone to accidents and the turnover rate is abnormally high. The National Employment Service must select workers who are not just workers but persons who are suitable to the jobs to which they are being referred.

The value of the employment service to the economy of the country is reflected in reduced labour turnover, which means better satisfied personnel and a reduced hiring cost to the employer which are the end results of efficient selection and placement.

In September of last year with higher levels of unemployment prevailing, it became necessary to intensify and strengthen the employment service effort. Instructions were issued to local offices at the end of September covering those areas of the regular employment service operations upon which special emphasis had to be placed to achieve the highest degree of placement effort. These involved a stepped-up employer contact programme to obtain all possible vacancy listings; provision for immediate attention to vacancies and applications to avoid delay in the selection and referral of applicants and the adoption

of certain innovations designed to draw the attention of employers to well qualified applicants when vacancies were not listed with the office. Local offices were also instructed to retain employment staff on employment work, in so far as was possible, rather than transfer them to insurance work when heavier loads of benefit claimants materialized. The over-all objective of the programme was to build up a dynamic employment effort as quickly as possible—one that could be sustained as a continuing feature of the employment service operations.

Staff needs are of the greatest importance to an expanded and fully sustained employment service effort. The commission is accordingly seeking to increase staff for employment work. In addition, a committee has been set up at head office to look closely into the staffing basis and the longer term needs of the employment programme to ensure that adequate staff is provided to carry it out.

If you would refer back to page 4, opposite the employment branch on the organizational chart you will see the insurance branch. The markings on the chart indicate the divisions of the insurance branch and are, in effect, self-explanatory.

The claims preparation division is responsible for the actual taking of the claim after registration for employment. The staff of this division must be very carefully trained as the completion of the claim documents must be skillfully done if the adjudication officer is to be in a position to decide wisely on whether or not the claim should go into payment. The claims preparation division has three other sections which take over the processing of the documents and control the flow of the documents until the claim goes into pay.

The review and adjudication division of the insurance branch decides whether or not the claim should be allowed and if any disqualification should be imposed.

The claims payment division does the actual payment either by cash or warrant.

The contribution and coverage division is responsible for the issuance of insurance books and the issuance of licenses to employers for the purpose of purchasing stamps. This division also issues routine decisions on coverage questions.

If you will now refer to the chart on page 3, you will see that the insurance branch at the regional office has three divisions—a contributions division, an audit division, and a claims division.

In the contributions division of the regional office, complete contribution records are maintained, from which it is determined whether the claimant has sufficient contributions within the prescribed time to warrant entitlement to benefit and, also to determine the rate and duration of benefit of claims. Under the present system, the current insurance book is sent to the contributions division at the regional office and this, together with the records of contributions for the required number of years, provides the information necessary for computation.

In the claims division of the regional office, difficult cases of adjudication are decided upon. Reviews are also made of decisions by officers located in the local offices so that uniformity of adjudication will be maintained.

The audit division of the regional office has supervision over the district audit offices and the audit staff working in the field. The entire region is divided into districts and at these district points a district auditor supervises groups of field auditors and allocates the audits to these officers from the central point.

I would refer you now to page 6, where we have set out for you a chart showing the function of each of the divisions of the insurance branch at head office.

I know you will appreciate that our officials in the insurance branch at head office have a responsibility for advising the commission on the operations in the field. These officers must also plan the procedures necessary for the carrying out of the provisions of the act. They must also review these procedures in order to ensure that the most efficient system is in effect in the local offices. This will give you a very hurried description of the insurance branch organization from local office to head office.

I would like to give you now some indication of the volume of insurance work which the commission has done through its organization.

In 1941, the act covered 2,000,000 workers. In the past seventeen years, the number of insured persons has increased to about 4,111,000. Another estimated 1,000,000 persons are recorded as having been in insurable employment at some time and many of them have rights to benefit.

Registered employers have increased from 160,000 in 1941 to slightly over 300,000 at this time. The growth in the number of employers will give you some indication of the increase in work which has fallen upon our audit staffs because of the necessity to maintain control on contributions to the fund. The commission insists upon periodic audits of all those who have insurable employees and for the fiscal year ending March 1958, about 220,000 audits and special investigations were made. In the case of many employers, a visit from the auditor about every eighteen months is now considered to be sufficient. This has not always been the case but with the employers becoming more accustomed to the legislation and because of the field control which has been exercised, the commission has been able to extend the interval of audit to employers with good records.

The increase in the number of insured employees will, of course, give a very definite indication of the increase in the number of records which have to be maintained for benefit purposes. In the past seventeen years, there has been a great increase in the number of claims filed for unemployment insurance benefit. In the fiscal year ending March 31, 1943, the total number of claims filed was 36,000. By 1946 the volume of claims had increased to about 430,000.

In the year 1957-58, claims numbered approximately 2,900,000. This included renewal as well as initial claims. When you are giving consideration to this load expressed in millions of claims, please keep in mind the computation required at regional offices and the careful review and adjudication which must be made in each case.

I would now ask you to refer to the comparative table of estimates and expenditures on page 9. Here we show our estimates and expenditures for the past five years and the money we are requesting for 1958-59. A comparison of total expenditures for the last five years shows an increase in each year. I might say that all figures that I shall mention are to the nearest thousand dollars. Expenditures for 1953-54 amounted to \$57,919,000 and increased to \$70,297,000 for the year 1957-58. The estimates for the coming year, including a supplementary, are \$72,849,000. The increase in actual expenditures is \$12,378,000 and there is a further estimated increase for 1958-59 of \$2,552,000. While this seems to be a fairly substantial increase, it should be noted that \$6,014,000 of the increase in expenditures is accounted for by the government's contribution to the fund. Further, this item also accounts for \$1,664,000 of the increase in the 1958-59 estimates. This is a statutory item and is based on the contributions to the fund made by workers and employers.

I am sure you are more interested in the administration vote as this is a large item and also one that can be controlled. Expenditures for the last five years have increased in total from \$26,097,000 to \$32,444,000 with an

estimated expenditure for 1958-59 of \$33,274,000. By far the largest item in this vote is salaries and wages. These expenditures have increased from \$20,831,000 to \$28,211,000 and the estimated expenditure for 1958-59 is shown as \$28,626,000. It may be noted that the over-all increase in expenditures amounts to \$6,347,000 and yet the increase in salaries is \$7,380,000. I would point out that items covering alterations, maintenance and repairs, rental of office accommodation and electricity, heat and water rates which amounted to \$1,773,000 in 1953-54 and \$1,917,000 in 1954-55 have in the later years been largely assumed by the Department of Public Works. Disregarding these items, the net expenditures, excluding salaries and wages, have only increased by \$740,000 in the last five years. Of this increase, the largest item is \$434,000 for postage. With the tremendous increase in the payment of benefits in the last fiscal year, it would seem that our expenditures will have to increase very considerably if this volume is maintained.

The increases in salaries and wages are due mainly to general salary revisions and to the increase in casual help. The regular staff has remained remarkably constant. The maximum continuing staff on duty at any month end was 6,998 in the fiscal year 1953-54 and only increased to a maximum of 7,439 in 1957-58. For a number of years the commission has determined its staff requirements in local offices by work units in local office production. This staffing basis has been an invaluable tool in determining the staff requirement for each office. I might add that the staffing basis shows a need for further supervisory positions, particularly in the insurance branch. In fact, a total of five hundred and twenty-five new positions was originally requested in our 1958-59 supplementary estimates, being two hundred and seventy-five positions for insurance and two hundred and fifty for employment. Of these only one hundred and fifty employment positions were approved by treasury board. Unless the work load of the commission decreases very considerably—which seems unlikely—a renewed request will be made for these additional positions.

Since the salaries and wages object forms such a large part of our total controllable expenditure, I think you would be interested to know of the formal organization which assists and advises the commission on the proper utilization of staff and the development of the system which the staff must operate.

I would like to refer you to the organization chart on page 2, which shows the head office of this commission. Under the executive director at head office we have an administrative services branch and you will note that this branch has three divisions.

The standards and methods division is composed of a group of officers especially trained in office procedures and methods. These officers are continuously engaged in reviewing the commission's standards for accommodation and staffing. In addition, these men are continuously studying more effective and efficient methods to be used in our local offices. All procedures are planned with the technical assistance of this group. At the present time, after much study and research, a pilot mechanized claims payment plan is being introduced in the Prairie region. It is hoped that this will produce substantial savings and it is planned to progressively introduce this new method in the rest of the country.

In the earlier part of this report, I pointed out the work of the employment and insurance branches, particularly with regard to the selection of people for jobs, and on the insurance side the skill required for the taking, computation and adjudication of claims. In order to have a staff capable of performing this difficult work, training becomes very important. The staff training division of the administrative services branch prepares the necessary training studies and

maintains a programme of staff training. Training divisions are also established at regional offices and these staff officers give assistance to local offices in the training of staff.

I would now refer you to the personnel branch and you will note that one of the divisions is an establishment review division. This division continuously reviews the establishment of the commission's offices and once each year does a complete review with the Civil Service Commission officials. The rating division is responsible for the rating programme which this commission carries on. Each employee is formally interviewed once a year for the purpose of informing him of his progress during that year and offering suggestions as to how he may improve his over-all performance.

Other necessary functions performed at head office are also shown on this chart.

The inspection branch at head office has a group of highly trained personnel who visit each local office at least every two years for the purpose of making a complete inspection of the office and reporting to the executive director on the quality of work being done and the efficiency with which the office is operating.

The enforcement branch endeavours to prevent fraud in the payment of benefits, working through regional enforcement officers who, in turn, have a field staff of investigators. These field investigators work independently of local office managers. They make investigations at the request of local office staff if fraud is suspected. They also make a check in selected areas of cases picked at random from claim files in the local office. In the fiscal year ending March 31st, they completed over 60,000 investigations.

The public relations branch at head office studies the publicity which the commission is receiving in the field and generally supervises the programme for the commission.

The legal branch officials serve as legal advisers to the commission and to other officials. The officers of this branch prepare any necessary legislation and, in addition, draft the regulations. These officials represent the commission at oral hearings before the umpire and generally provide the commission with whatever legal counsel is necessary.

In the report which I have given, I have attempted to give you a general picture of our organization and in general terms the work which we do.

No report of this commission would be complete without stating that the ability of the commission to meet the seasonal loads which it regularly encounters is due to our very fine field staff. Our staff has worked overtime when called upon to do so. It has, in many instances, performed meritorious service beyond that normally required in giving the public the service it has the right to expect. I believe that the commission has been able to keep its budget within its present limits largely because of the co-operation which it has always received from its staff.

Finally I believe that the appropriations which this commission has requested to carry on its operations are fair and reasonable.

Mr. Chairman, I have with me this morning Mr. W. K. Rutherford, director, administrative services; W. Thomson, director, employment branch, and J. McGregor, director, insurance branch.

The CHAIRMAN: Are there any questions gentlemen?

Mr. CARON: What was the amount of the fund in May, 1957?

Mr. J. MCGREGOR (*Director, Insurance Branch, Department of Labour*): The fund, at the end of 1957 stood at \$846,819,435.

Mr. CARON: What did the fund stand at in May, 1958?

Mr. MCGREGOR: The fund in May, 1958, stood at \$662,056,157.

Mr. CARON: Thank you.

Mr. BEECH: Mr. Chairman, I see an item here "commission to Post Office Department" in the amount of \$825,000 and further down another item "postage" in the amount of \$825,000. Could we have an explanation in regard to those items?

Mr. W. K. RUTHERFORD (*Director, Administrative Services, Department of Labour*): The item covering "commission to Post Office Department" is a Post Office charge in regard to unemployment insurance stamps. This is a very small charge. It amounts to .08 of one per cent of the sales of unemployment insurance stamps.

The item "postage" represents the regular postage used by our office in shipping material to claimants and other offices, and so on. It is a very large item, that is true. Actually it is a transfer of funds to another government department, but it represents regular postage.

Mr. CARON: Mr. Chairman, when a skilled man is out of work does the Unemployment Insurance Commission force him to accept labour work if there is nothing suitable for him?

Mr. W. THOMSON (*Director, Employment Branch, Department of Labour*): If a skilled worker registers at the local office he is registered according to the work for which he is suited and qualified. If there are any vacancies in that occupation and he happens to be the most suitable person he would be referred to it. If there is a lesser skilled vacancy such as labour, and so on, it will be offered to him in the first instance.

If he is referred to a skilled job for which he is suited and refuses to accept it there is a strong chance of his being disqualified from receiving unemployment insurance benefits. If he is a skilled worker and is referred to a labour job and turns it down, in all probability he would not be disqualified from receiving unemployment insurance benefit.

Mr. CARON: Does it ever happen that a skilled man is disqualified from receiving benefits because he refuses to accept a labour job?

Mr. MCGREGOR: If a skilled man was unemployed for a long period of time and it was evident that there were no jobs available in his skilled trade, and as time progressed, jobs of lower categories, and of lower skills would become suitable in his case.

Eventually, after a long period of unemployment a labour job might be considered suitable in his case.

Mr. STARR: I think, Mr. Chairman, that that answer would probably also answer the question of Mr. Houck earlier where, as Mr. Houck suggested as an example, a person may be offered a job in the fruit industry.

Mr. HOUCK: And refuses to take it, what about that?

Mr. STARR: Well, it would depend on this fact; if it was a long period of unemployment, that is, if he had been unemployed for a long time and efforts had been exhausted in placing him in a suitable job in accordance with his qualifications, if he refused that job as a farm labourer he would be disqualified. You have to consider the many factors involved.

Mr. MACINNIS: Mr. Chairman, mention has been made of field staffs working overtime. Do you consider this in the best interests of the unemployment situation?

Mr. STARR: Mr. Chairman, our difficulty has been that when the peak load is on in the national unemployment insurance office the regular staff work overtime. We also employ well over 3,000 casual workers to carry on these offices during that peak load.

Mr. GRAFFTEY: Has it ever been brought to the attention of the commission whether these casual employees who measure up to the standards required by the commission have been released from that casual employment while regular employees have continued to do overtime work?

Mr. RUTHERFORD: Generally speaking that is not the case. We only hire casuals if they are required, but we certainly do not want our staff to work overtime if we can get casuals to perform that work. It is not always possible to obtain casuals overnight, and situations arise sometimes where it is absolutely necessary to work our staff overtime.

We keep it to the absolute minimum and I am sure I am expressing the commission's opinion that we do not want the staff to work overtime at all if possible.

Mr. GRAFFTEY: Those words "if possible" answer a lot of questions, but where you have occasion to hire casual employees and they fill the requirements of the commission isn't it true that these casuals are occasionally released and regular staff carries on with overtime work?

Mr. RUTHERFORD: I do not think there are many cases of that kind. If there are any we would like to know about them.

Mr. BISSON: Casual employees work only on a specific job. The staff you are referring to may be working on the kind of work for which the casual is not hired.

Mr. MITCHELL: Mr. Chairman, what is the length of time that an employer has to purchase his stamps?

Mr. STARR: He is required to purchase them each and every period of payroll time. If the employees are being paid twice a week he is supposed to purchase stamps twice a week.

Mr. MCGREGOR: He must affix the stamps within three days of paying the employees.

Mr. MITCHELL: Are your auditors instructed to prosecute or suggest prosecution for the failure to affix stamps at any definite period of time that they might be in arrears?

Mr. MCGREGOR: The procedure is that the first time an employer is found to be delinquent he is just warned that he must live up to the regulations from that point on. On the second occasion if he is found to be delinquent there is a penalty of 10 per cent added to the assessment made against him and he must pay that penalty.

Mr. MITCHELL: What is the period of time between the warning and the penalty?

Mr. MCGREGOR: Because we feel since the act was changed in 1955, there was a change in the previous make-up, a change in the act and regulations, and we have forgiven the first time for having failed but the second time we feel he has been warned and knows the score, and from that time on is assessed the penalty.

Mr. MITCHELL: That is still all right, but I am trying to determine the period of time between the warning and when the penalty will be imposed.

Mr. MCGREGOR: There is no set period of time when the auditors get around to see him again.

Mr. STARR: There is a check through the post offices on every employer as to his purchases and if there is delinquency there, where purchases are not being made, then in many cases the delinquent employer will get a letter or will get a form from the regional office asking that he fill the form out

and certain questions are asked as to when he purchased his last stamps, what was the total number etc, and we can judge from that just how far behind he is in his delinquency.

Mr. MITCHELL: I realize that and that is quite true. I am speaking from one of your auditor's standpoints when I ask this question: how is he instructed to warn or apply a penalty to the employer—in the amount of arrears or the length of time of arrears when he is asked to go in and investigate?

Mr. MCGREGOR: As the minister has pointed out, there is a continuous check on the purchases of stamps throughout districts. Each office would know when an employer is not purchasing his stamps. A notice of this is sent to the district auditors and in response to that they might send an auditor out right away because we realize he is not making the proper contribution.

Furthermore, if there is a complaint made by an employee the moment the complaint comes in from an employee that is investigated specially.

Mr. MITCHELL: Then I would not be correct in saying that your auditors have been instructed to assess a penalty in a period of, say, two weeks' time?

Mr. MCGREGOR: Not necessarily, no.

Mr. MACLEAN (*Winnipeg North Centre*): Mr. Chairman, if possible, I would like to get the number of people prosecuted for infringement of this act and the number of successful prosecutions.

Mr. STARR: That is the employers?

Mr. MACLEAN (*Winnipeg North Centre*): Does this only cover the employers? I am thinking of people who make false claims.

Mr. RUTHERFORD: I can only give you the figure for the previous fiscal year. Our enforcement branch has stepped up its activities since then. They made about 60,000 investigations this year as against 45,000 last year.

Last year for the fiscal year 1956-57 there were 649 prosecutions recommended and penalties imposed under section 65 of the act amounting to \$4,999. That was out of a total of 55,000 investigations completed I see here. I mentioned 45,000, it is 55,000 shown here and there were some 5,500 or approximately 10 per cent of the cases investigated where there was guilt and punitive action was taken. Of that there were penalties imposed under section 65, which are penalties without going to court and 649 prosecutions recommended.

Mr. SPENCER: What was the recovery, only \$4,000?

Mr. RUTHERFORD: I have not given the recoveries.

Mr. SPENCER: You had 5,500 trials?

Mr. STARR: This, Mr. Chairman, is taken out of the sixteenth annual report for the fiscal year ending March 31, 1957, but if the hon. member wishes it for the fiscal year ending March 31, 1958 we can send that over to him.

Mr. MACLEAN (*Winnipeg North Centre*): Yes, I do not want to hold the committee up.

Mr. STARR: We will send that information on to you.

Mr. MACINNIS: Is there a way where a contributor can take himself out of the unemployment insurance regulations?

Mr. MCGREGOR: Yes, when the salary at the moment is \$4,800. Anybody earning over \$4,800 as long as he is not being paid by the day, the hour or the piece is no longer covered when he reaches \$4,800 although he can elect to remain insured by paying his own contribution and that of his employer from the \$4,800.

Mr. MACINNIS: Beyond \$4,800 he is responsible for both his own share and the employer's share?

Mr. MCGREGOR: Yes. If he does so six months after going over the \$4,800.

Mr. MACINNIS: I have in mind a few examples in this category who have reached this stage a year or two prior to pension age. These men have contributed to this fund over a period of years just previous to being pensioned off and they find themselves in this category, and now you say the way to protect themselves would be to pay the company's contribution?

Mr. MCGREGOR: Six months after having gone over the salary.

Mr. MACINNIS: It seems there has been a slip-up in the local office in this regard and these men were not made aware of these regulations and have found themselves placed in the position of having no protection for the last seven or eight months or possibly a year. Would there be consideration given to that because they have not been notified by the local office?

Mr. MCGREGOR: The local office would never know when a person goes over the salary of \$4,800.

Mr. MACINNIS: Well, it was brought to their attention by the individuals concerned when they were no longer deducting it from their salary. Wouldn't they be aware of it then?

Mr. MCGREGOR: He should go to his employer and fill out a form if he wants to remain insured and lodge that with the employer.

Mr. MACINNIS: But the individual was not aware of this and he made a complaint to the local office, the local office did not make him aware of the regulation so how could he go back to his employer?

Mr. MCGREGOR: It is contained in all the literature. The obligation is on the employee himself and his employer to elect to remain insured.

Mr. MACINNIS: There is no obligation whatsoever on the local office?

Mr. MCGREGOR: We cannot keep track of it.

Mr. MACINNIS: Well, the man makes the complaint that deductions are no longer being made. You do not expect an individual who has been paying into a fund over a period of years to suddenly revert back to the literature put out by the department to find out this regulation especially when he has gone to the local office and made the complaint that the deductions were not being made.

Do you not think the local office has a responsibility to make him aware of this regulation?

Mr. MCGREGOR: I would be surprised if the local office had not advised him to go and lodge this complaint with his employer.

Mr. MACLEAN (*Winnipeg North Centre*): Mr. Chairman, this is something that has been troubling me and troubling a lot of students going to university and law school, and that is the fact that university students in general and more specifically law students which is a professional occupation are forced or their employers are forced to share with them the payment of unemployment insurance.

They pay this insurance although it is well known they will never have an opportunity of collecting the payment that they have made for unemployment insurance. This applies particularly to law students or others in the law profession.

Has the minister entertained any thought about making any changes along this line?

Mr. MCGREGOR: No. The point here is that the occupation which he is following is under a contract of service and he works under that contract of service within the limitation of \$4,800 and is therefore insurable regardless of what he is doing, where he is working, etc.

The bankers make the same complaint, that they will never become unemployed, but they are some of the good risks we take which tend to cover the bad risks.

Mr. MACLEAN (*Winnipeg North Centre*): I realize it is fully within the act but what I want to know is if the minister has ever thought of perhaps making some exception with regard to university students in general.

Mr. STARR: We have had representations from university students in a body about a year ago and this matter was brought to our attention. However, the fact remains that the unemployment insurance must remain on the basis that if a person works 24 hours a week then he must, of necessity, be insured under the Act and the employer must provide for that insurance. That is, he must put a stamp in the unemployment insurance book that week.

Mr. MACLEAN (*Winnipeg North Centre*): The only point is with this special class it does seem a bit ridiculous that they are paying into this fund and will never get anything out of it.

Mr. MCGREGOR: May I point out that some of those student eventually do not go back to university and actually come on our hands.

Mr. MACLEAN (*Winnipeg North Centre*): That is quite true but the majority never collect.

Mr. MCGREGOR: It is not too rare a case when they decide not to go back to university and come into our hands.

Mr. MACLEAN (*Winnipeg North Centre*): That is a very limited percentage, though.

Mr. MCGREGOR: Yes, but it does happen.

Mr. SPENCER: Is it correct that a law student getting a few dollars a week pays unemployment insurance?

Mr. STARR: As long as he works 24 hours.

Mr. MCGREGOR: As long as he is under the control of his employer and is told when he must work and how he must work then he has to pay insurance.

Mr. SPENCER: That is a graduate may find employment to put himself through his education.

The CHAIRMAN: Any further questions?

Mr. HOUCK: May I ask this question of Mr. Bisson. You mention this in your brief and at the same time I thought it was a very informative brief. You referred to the fellow who goes to a job and turns out to be a misfit. Do you have a big percentage of those and what happens to him after that, if he is found not suitable on the job?

Mr. BISSON: I do not think we have any figures on that. We are just making a general statement. A misfit can cause a loss to the economy but we do our best to select the best applicant for the job.

Mr. HOUCK: But he does not lose his standing if he turns out to be a misfit?

Mr. BISSON: No, if he is released and comes back to us and the employer says he is not satisfactory.

Mr. STARR: In other words, he is thrown back on the labour market and we must endeavour in our placement activity to find him another job in which he will fit, and in that respect I want to say this: Mr. Bisson in his report set out the fact that we have authority from the treasury board to hire 150 more men and that will mean an increased of 148 in our personnel. That means that there is a reduction of two from the original establishment. We have the authority to add 150 more persons for job finding activity in our offices across the country even though it will not be sufficient to carry out what we intend to do.

Nevertheless, we feel that it is a beginning.

Mr. HOUCK: Suppose I am registered in the unemployment office at Niagara Falls and you find me a job at Blind River, do I pay my expenses up there and back?

Mr. STARR: Not unless the area in which you are located has been designated as a labour surplus area.

The CHAIRMAN: That comes under item 180 anyway.

Mr. MITCHELL: Are there any regulations whereby they can govern the period of time when a person can return to work following, we will say, illness or, in this case, I was thinking of pregnancy? Is there any period of time where that could be governed if the person wanted to return at a certain time and the regulations would not allow them to?

Mr. MCGREGOR: Perhaps you are thinking of the application of unemployment insurance?

Mr. MITCHELL: No, this person was not even drawing unemployment insurance but she did return to work and was prevented in a shorter period of time than apparently the regulations would allow her to do.

Mr. MCGREGOR: I do not know what regulation it would be if she were not covered by unemployment insurance. If she wanted to return to work and she declared she was suitable to work, there is no power we have that would say she could not work.

The CHAIRMAN: That would be up to the employer.

Mr. MITCHELL: Well, apparently not. She applied to the employment office for placement and they said she did not qualify.

Mr. MCGREGOR: Are you speaking about qualifying for unemployment insurance?

Mr. MITCHELL: No, for employment.

Mr. MCGREGOR: There would be no way we would know. You are suggesting this woman has had a baby and a short time has elapsed since the birth of the child. We would have no way of knowing when the child was born. As I say, there is no regulation that we would have that would tell her she is not suitable for employment.

Mr. MITCHELL: I understand that she was advised by the local office that she would have to present a medical certificate.

Mr. MCGREGOR: No sir.

Mr. STARR: Not unless she was applying for unemployment insurance, but if she was applying for a job, there would be no reason why our office would not register her for employment and endeavour to find her employment.

Mr. MITCHELL: Let me put it this way: She did not know enough or was not advised and did not apply for any insurance at the time or a limit of time that she could qualify and then having lost that she wanted to get back to work as quickly as possible and from what I understand apparently she had to get a doctor's certificate before they would allow her to take employment.

Mr. STARR: Mr. Chairman, may I suggest if Mr. Mitchell will give the particulars of this case, we will look into it and advise him of the circumstances.

Mr. BROWNE (*Vancouver-Kingsway*): Mr. Chairman, one of the complaints I have received under the Unemployment Insurance Act is the fact of whether a man is involved in a labour dispute. I did not think we would have got this far or I would have brought the act with me, but I believe it says in the act if a man is interested in a labour dispute he is disqualified.

We had one out in British Columbia where we had the teamsters' strike and where they went on strike at one plant they immediately locked out the

men in every other plant and this included a lot of subcontractors who would be doing jobs at those other plants, and I have had a good deal of complaint about being disqualified from drawing benefits because of that fact.

Mr. STARR: You are referring to a situation where there is a strike and a subcontractor in that plant doing some renovation work or reconstruction work is unemployed but is unable to draw unemployment insurance. I am subject to correction on this, but to qualify for unemployment insurance they must attempt to go back on their job. If they do not make that attempt they are disqualified. If they do make the attempts to go back on the job and are restrained by the picket line, then there is some consideration in regard to that.

Mr. BROWNE (*Vancouver-Kingsway*): Well in this case, there was no picket line. The company simply locked them out all over the province. There was no picket line, there was no job to go to.

Mr. MCGREGOR: Mr. Chairman, the stipulation under the disqualification section of the act is first of all the claimant must have lost his employment through labour dispute and then he must prove to us that he is neither participating in any dispute, financing a dispute nor personally interested in its outcome. It is up to him to prove those three things and sometimes it is very difficult. If he is a member of a greater class any of whom is participating, financing or personally interested in the outcome of the dispute, if he was a carpenter and the carpenters went out on strike, for example, then regardless of who he is working for he loses his job and he is personally interested in the outcome of that strike, that is, whether he would get an increase or a decrease, then he is disqualified.

Mr. BROWNE (*Vancouver-Kingsway*): Taking one particular case, this man was a machinist fitter of some description. It was the teamsters who went on strike and this man had no connection with the teamsters union. The job he was employed on was not the one that struck but the employer decided to lock out the whole province and he was employed as a subcontractor.

Mr. MCGREGOR: If it is possible to send us the particulars of that particular case because the matter is terribly involved—we would be only too happy to look into the particular case if you would send it to us.

Mr. MUIR (*Cape Breton North and Victoria*): Mr. Chairman, if a man is paying insurance for a period of five or ten years and then moves to a job which is not insurable, \$4,800, and after that finds himself out of employment, can he then file a claim?

Mr. MCGREGOR: Yes, we protect him for a further two years, in other words, in order to claim payment he must have made contributions for 104 weeks. We can extend that to 208 weeks if he is engaged in the meantime in employment that is not insurable or for incapacity or mental or physical illness.

Mr. MUIR (*Cape Breton North and Victoria*): Was the period of time always two years or was there a period when it was three years?

Mr. MCGREGOR: No, two years has always been the maximum.

Mr. GRAFFTEY: Mr. Chairman, up until relatively recently I had the opinion of the department officials that the average working man did not realize or does not realize that your National Employment offices were and are set up in a very adequate way to find jobs for people of every kind. Is this new policy designed to make the individual man more aware of the fact that it is actually an office they can go to? In my own experience I find I am telling a lot of men this for the first time, "Go to your national employment service." Unfortunately they think it is an unemployment office and they do not realize

that perhaps it is the best place in the country to go to get a job. That was the experience of the department up until quite recently that the average working man did not realize.

Mr. MCGREGOR: No, that has not been our experience because Mr. Bisson in his statement told you that the number of placements amounted to about 850,000 two years ago and it was now one million.

Now, the one million persons who were placed in employment must know about the National Employment Service. However, as part of the re-emphasis of the employment program one phase of it is that we will spend some amount on advertising National Employment Service to make certain that every unemployed and employable worker has all the facilities of the National Employment Service.

Mr. SPENCER: I have a general question. Am I correct in saying that the enforcement branch relates to the investigation of claims filed and the audit branch relates to the investigation of contributions by employers, is that right?

Mr. MCGREGOR: Yes.

Mr. SPENCER: Could I have the relative number of employees in each one of those branches?

Mr. BISSON: I think we can get that information for you. I have not it available at the moment.

Mr. COOPER: Mr. Chairman, is the board considering bringing farm labour under unemployment insurance? We are finding it difficult when we go to Saskatoon or Regina to hire farm labour. They will not go out to the farm for two reasons—first, they are hired for eight months and then harvest is over and they are laid off and they cannot collect unemployment insurance. Second is the Compensation Act. Is there any consideration given to bringing farm labour under those acts?

Mr. STARR: As far as the workmen's compensation acts are concerned they would be governed by provincial workmen's compensation.

Now, as to the first part of your question, "has any consideration been given to bringing farm labourers under the Unemployment Insurance Act", I would say, yes, we are giving it very, very serious consideration at the moment. A few years ago there was some antagonism on the part of farmers as regards coming under the Unemployment Insurance Act. However, this attitude has changed. The opposition which they displayed a few years ago and their attitude has also changed in that respect due mostly to the fact that the employer is unable to obtain suitable farm labour.

We are studying it as a whole and piecemeal. When I say piecemeal we are studying the possibilities of bringing in certain segments one at a time under the Unemployment Insurance Act.

Mr. COOPER: A few years ago they were opposed to this but now all the organizations including farm labour want to be brought into this.

Mr. STARR: Yes. We have had many representations with regard to including them.

Mr. MUIR (*Cape Breton North and Victoria*): While I realize there are individuals who will try to get ahead, to use that expression, of the Unemployment Insurance Commission, has there been occasions when someone, through no fault of their own, was paid benefits because of an error on the part of a member of the Unemployment Insurance Commission staff? I am speaking of a case where through no fault of the individual, but because of an error on the part of an official of the Unemployment Insurance Commission, the individual received benefits that he was not entitled to. What is the position in that event?

Mr. BISSON: We try to recover the full amount by asking the man to pay it all at once. If he cannot pay the complete amount, and if he is working, we try to recover it by weekly instalments or out of future benefits.

Mr. MITCHELL: I understand that an individual drawing unemployment insurance is required to present himself to the local office once a week, is that correct?

Mr. RUTHERFORD: Yes.

Mr. MITCHELL: I am speaking of local conditions.

Mr. RUTHERFORD: Yes.

Mr. MITCHELL: In regard to an individual who lives some distance from the office, how often is he required to report, and how are his warrants handled?

Mr. MCGREGOR: As a rule if the cost of return transportation from his home to the local office is not more than 40 cents he must report once a week in person. If the cost of return transportation from his home to the office is more than 40 cents he reports by mail once every two weeks.

Mr. MITCHELL: Once every two weeks?

Mr. MCGREGOR: Once every two weeks.

Mr. MITCHELL: Thank you.

Mr. HOUCK: I move the item be carried and that we adjourn.

Item agreed to.

On supplementary item 573:

UNEMPLOYMENT INSURANCE COMMISSION

Item No. 573. (Supplementary). Administration of the Unemployment Insurance Act, including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the Governor in Council on the recommendation of the Minister of Labour in accordance with section 4 of the Act—Further amount required \$1,489,434

Mr. BROWNE (*Vancouver-Kingsway*): Mr. Chairman, I think we should leave this open until our next meeting. This is a very important subject and I have one or two questions to ask in regard to it.

The CHAIRMAN: We were 15 minutes late in starting this morning and I would like to recover that time if possible. Perhaps you could ask your questions now so that we can finish this today.

Mr. BROWNE (*Vancouver-Kingsway*): I would like to know if there has been any consideration given to making provisions for increasing the amounts of the benefits that are received under the act, and considerations, perhaps, with a view to raising the contributions, if necessary, to give extended benefits. There has been quite a demand on the part of labour for these increases.

Mr. STARR: Those aspects are being considered now very actively, I might say.

We are also considering the addition of higher categories for benefits.

Mr. SPENCER: Mr. Chairman, was there a delegation from Windsor that came to Ottawa recently to see the minister in regard to special difficulties involved in administering the act?

Mr. STARR: I am not aware that a delegation presented that aspect. I am sorry. There was a small delegation that presented difficulties arising from a situation where persons had been working on full time for a number of years. Then in the last two years had been working on shorter time and the average is taken, thereby depriving them of a full claim.

Mr. SPENCER: That is what I had reference to.

Mr. STARR: The Unemployment Insurance Commission is giving consideration to this difficulty in an attempt to find a more satisfactory way of doing it.

Mr. SPENCER: Did they make some suggestions in regard to the mechanics involved?

Mr. STARR: I am not sure that they made any suggestions as to the mechanics. They left it up to the commission to work out, but they did bring it to our attention.

The CHAIRMAN: Does item 573 in the supplementary estimates carry? Item agreed to.

Our next meeting will be on Friday morning at 9 o'clock. Please try to be present on time because we lost a lot of valuable time this morning before we could get started.

We ought to be able to finish with these estimates on Friday morning.

The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958



STANDING COMMITTEE

ON

INDUSTRIAL RELATIONS

Chairman: R. H. SMALL, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

DEPARTMENT OF LABOUR ESTIMATES, 1958-59

Including Index of Items considered
and Report to the House

FRIDAY, JULY 25, 1958

WITNESSES

Hon. Michael Starr, Minister of Labour; *and from the Unemployment Insurance Commission:* Mr. W. Thomson, Director for Employment Service.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958



STANDING COMMITTEE
ON
INDUSTRIAL RELATIONS

Chairman: R. H. Small, Esq.,

Vice-Chairman: T. Ricard, Esq.,

and Messrs.

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Benidickson,
Bourdages,
Browne (*Vancouver-
Kingsway*),
Caron,
Cooper,
Deschatelets,
Drouin,
English,
Graftey,

Granger,
Houck,
Lafrenière,
Lahaye,
Loiselle,
MacInnis,
MacLean (*Winnipeg
North Centre*),
Mandziuk,
Martin (*Essex-East*),
Martini,
McDonald
(*Hamilton South*),

McWilliam,
Mitchell,
Muir (*Cape Breton North
and Victoria*),
Noble,
Peters,
Pigeon,
Skoreyko,
Smith (*Winnipeg North*),
Spencer,
Stanton,
Weichel—35.

M. Slack,
Clerk of the Committee.

REPORT TO THE HOUSE

SATURDAY, July 26, 1958.

The Standing Committee on Industrial Relations has the honour to present the following as its

SECOND REPORT

Your Committee has considered and approved items numbered 170 to 180 inclusive, as listed in the Main Estimates 1958-59 and items numbered 571 to 573 inclusive as listed in the Supplementary Estimates for the fiscal year ending March 31, 1959, relating to the Department of Labour, referred to it by the House on July 9, 1958.

A copy of the Committee's Minutes of Proceedings and Evidence in respect thereof is appended.

Respectfully submitted,

R. H. SMALL,
Chairman.

MINUTES OF PROCEEDINGS

FRIDAY, July 25, 1958.

(4)

The Standing Committee on Industrial Relations met at 9.10 a.m. this day. The Chairman, Mr. R. H. Small, presided.

Members present: Messrs. Beech, Benidickson, Browne (*Vancouver-Kingsway*), Caron, Cooper, Grafftey, Houck, MacInnis, Martini, Ricard, Small, Spencer, Stanton, and Weichel. (14)

In attendance: The Honourable Michael Starr, Minister of Labour; *From the Department of Labour:* Messrs. A. H. Brown, Deputy Minister; G. Schonning, Economics and Research Branch; J. Francis, Economics and Research Branch; P. R. Parent, Director of Administration; W. W. Dawson, Director of Special Services; A. MacDonald, Special Services Branch.

From the Unemployment Insurance Commission: Messrs. J. G. Bisson, Chief Commissioner; J. Thomson, Director Employment Service; J. McGregor, Director of Insurance and W. K. Rutherford, Director of Administration.

The Committee resumed consideration of the Main and Supplementary Estimates 1958-59 relating to the Department of Labour.

Item 180—To provide for the transfer of labour to and from places where employment is available—was called and Mr. W. Thomson having been introduced to the members of the Committee was questioned.

Item 180 was adopted.

The Committee reverted to further consideration of Item 170—Departmental Administration.

Item 170 was adopted.

The Chairman thanked the officials for their assistance and co-operation.

The Committee continued *in camera* for the purpose of deliberating on its report to the House. A draft report was presented to the Committee, considered and adopted, and the Chairman instructed to present it as the Committee's Second Report to the House.

At 9.30 a.m. the Committee adjourned to the call of the Chair.

M. Slack,

Clerk of the Committee.

EVIDENCE

FRIDAY, July 25, 1958.

9:00 A.M.

The CHAIRMAN: Gentlemen we have a quorum.

The last item we have to consider is item No. 180.

UNEMPLOYMENT INSURANCE COMMISSION

Item No. 180. To provide for the transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the Governor in Council \$75,000

The CHAIRMAN: Mr. Thomson, the official in charge of this department, is here. We will follow the usual procedure and have him outline the department's operation.

Mr. W. THOMSON (*Director, Employment Branch, Unemployment Insurance Commission*): Mr. Chairman and gentlemen this item is to provide for transportation of labour to and from places where employment is available, and expenses incidental thereto.

Most of the moneys provided are used in regard to advancing the cost of transportation on behalf of employers to employees, and it is later repaid.

This item also covers the expenses involved in moving workers from labour surplus areas. There are five labour surplus areas in Canada at the present time.

Hr. HOUCK: Does the employee repay that money?

Mr. THOMSON: Not in regard to the second item. This is not a repayment system. We provide for the cost of transporting workers, their dependents and their household effects.

There are certain precautions taken in this regard. The most important precaution taken is to make sure that a worker is not in a position to pay for his own transportation. The second precaution we take is in regard to the duration of the job—it should be at least six months.

The whole idea of this arrangement is the resettlement of these workers.

At the present time there are five labour surplus areas in Canada. There are two areas in Ontario—Windsor and Tilbury, and the other areas are Springhill, New Glasgow and St. Stephen. These areas are designated labour surplus areas by the Minister of Labour in conjunction with the Unemployment Insurance Commission.

Mr. CARON: Do workers have to accept transfers from one city to another?

Mr. THOMSON: No.

Mr. CARON: This is a voluntary thing?

Mr. THOMSON: That is right.

Mr. HOUCK: Are the workers assured housing accommodation when they arrive?

Mr. THOMSON: No, there is no provision for accommodation. We actually move the worker first and leave it up to him to find accommodation, and then his wife and household effects are moved when he has obtained accommodation. This usually happens after the worker himself has been moved.

Hon. MICHAEL STARR (*Minister of the Department of Labour*): Mr. Thomson, would you elaborate on the first aspect of the movement? You have just explained the movement of a worker from an area that has been declared, by order in council, as a labour surplus area.

Mr. THOMSON: The bulk of this item is taken up in the advancing of transportation to employees on behalf of employers.

Our clearance machinery is very much involved in this and I think perhaps I should take a few minutes to explain that.

If an employer gives us an order for an employee—he has a vacancy which cannot be filled locally—we will ask him, if we are unable to fill the order, if we can place this order in our clearance. This order will be placed first at the adjacent offices and then to other offices in the province, and finally to the all-Canada wide offices.

Very often the employer will ask us to advance the cost of transportation to the worker so that he can be moved. In such cases the employer, as I say, reimburses us for such an advance.

That operation accounts for the bulk of this item.

Mr. CARON: In a case such as you have explained the worker has to reimburse the Unemployment Insurance Commission for the cost of that move?

Mr. THOMSON: In most cases he does. The employer usually deducts it from his wages. There are certain occasions when an employer will pay the cost of the transportation.

Mr. HOUCK: Mr. Chairman, could I ask the minister who designates labour surplus areas?

Mr. STARR: The minister does so by order in council after it has been established that these areas have a good deal of unemployment and that there is no possibility of local industry absorbing these unemployed persons. When a person wishes to move and has a job in some other area but has no means of meeting the cost of his transportation from the labour surplus area, we pay all his expenses.

Mr. CARON: Has it been found rather easy to find employment in other parts of the country?

Mr. THOMSON: No, we have found this rather difficult.

Finding employment is easy in some cases where a large plant has closed down and all the employees are qualified and skilled. In that event we find it relatively easy to place them. In regard to unemployed persons who are relatively unskilled it is difficult to find places to move them to.

We have moved the bulk of these people from New Glasgow and Springhill to other mining areas in the maritimes.

Mr. MACINNIS: Did the Dominion Coal Company come within this first category following the Springhill disaster?

Mr. THOMSON: The Dominion Coal Company came under the second category. There was a number of workers moved from Springhill to Sydney.

Mr. MACINNIS: This was not at the request of the company?

Mr. THOMSON: Oh, no. This happened as a result of requests from individuals at a cost to the dominion government rather than the company.

I would like to say in regard to the use of this money that it is not really an expenditure, it is actually a revolving expenditure. The money is advanced on behalf of an employer and repaid later, so it is not really an expenditure as it is in the case of the second illustration I gave.

Mr. BEECH: I hear farmers complaining that they cannot get much help.

Mr. THOMSON: In regard to farm labour we do move on a regular basis about 20,000 people per year. This movement does not come within this item at all, that is a dominion-provincial arrangement. There are various movements to take care of harvesting, and so on, but that is not covered in this item.

Mr. SPENCER: Do you move unemployed persons from one surplus area to other surplus areas?

Mr. THOMSON: No, I have no knowledge of that happening.

Mr. SPENCER: You would not move unemployed persons from Windsor to Toronto?

Mr. THOMSON: Toronto is not designated as a surplus area. We would definitely move people from Windsor.

Mr. MACINNIS: According to this arrangement you could move unemployed persons from Windsor to Toronto?

Mr. THOMSON: Yes, indeed.

Mr. MACINNIS: Windsor is a designated surplus area.

Mr. THOMSON: There are only two designated surplus areas in Ontario; Windsor and Tilbury.

Mr. MACINNIS: In regard to this movement of harvesters, I have in mind the movement of potato pickers to Prince Edward Island. I suppose that movement does not come under this item? Would that be a provincial arrangement?

Mr. THOMSON: This is a dominion-provincial arrangement.

Mr. MACINNIS: Yes.

Mr. GRAFFTEY: Mr. Chairman, the local offices always have, as I understand, booklets explaining the ramifications of the laws to the various employees and workers that they encounter. At the same time, I would like to know if there are continuous studies underway in an attempt to simplify the basic principles of the law so that the average worker can understand them?

I know that by the very nature of this it is complicated.

Mr. THOMSON: Are you referring to the Unemployment Insurance Act?

Mr. GRAFFTEY: I am referring to the law and the act. I have read this act myself and find it rather complex and difficult to follow. I was wondering if it was considered that there were certain basic principles that should be driven home more often to the labouring public at large?

Mr. RICARD: The Unemployment Insurance Commission places articles in newspapers.

Mr. J. G. BISSON (*Chief Commissioner, Unemployment Insurance Commission*): Yes, by different methods we attempt to make our act understandable.

The CHAIRMAN: The Unemployment Insurance Commission does send out monthly brochures in regard to the general labour situation. These brochures also cover the unemployment phase, if I remember correctly.

Mr. HOUCK: Mr. Chairman, I am surprised that a lawyer would want anything simplified.

Mr. GRAFFTEY: Maybe a lawyer drafted this.

Item 180 agreed to.

The CHAIRMAN: Gentlemen, you will remember that we left item No. 170 open in the event that there were further questions you would like to ask in that regard.

GENERAL ADMINISTRATION

Item No. 170. Departmental Administration, including grants as detailed in the Estimates and the expenses of the International Labour Conferences (also includes the former Labour Gazette). Women's Bureau and Manpower Utilization Votes \$1,067,166

Mr. HOUCK: Can we ask any questions in regard to that, Mr. Chairman, or would you rule us out of order?

The CHAIRMAN: We have left this item completely open.

Mr. HOUCK: There is one question, Mr. Chairman, on which you will probably rule me out of order here. However, I am becoming used to being ruled out of order and I expect it.

I did bring this question up last night in regard to the bill, but I will try to rephrase my question so that it does not pertain directly to that bill. I will direct this question to the minister.

In the event that a man was on strike and after the strike was settled he returned to his former employment, in what category would he be in respect of his unemployment insurance? I am thinking of the steamships' strike on the west coast.

When these employees returned to their ships, in what category will they be as far as their unemployment insurance is concerned?

Mr. STARR: They will revert to their normal unemployment insurance status. The stamps will be provided for the weeks they have worked except during the period of the strike. There will be that period for which stamps will not be put into the books.

Mr. HOUCK: That is the question I wanted answered.

Mr. STARR: In other words they will lack those contributions.

Mr. STANTON: The spaces in the unemployment insurance books will be vacant for those periods?

Mr. STARR: Yes.

Mr. BEECH: Will these employees be allowed to make double contributions?

Mr. STARR: No.

Item No. 170 agreed to.

The CHAIRMAN: First of all I would like to thank the members of this committee for their patience and diligent attention, and also for their attendance. The attendance has not been too good in some cases but in the majority it has been all right.

I would also like to thank the minister, Mr. Browne and the officials who have been in attendance for their consideration in regard to the questions that have been asked of them. We have not been able to stump them on any question yet. They have been very cooperative and very helpful. I would therefore, on behalf of the committee, tender our appreciation and thanks.

Mr. HOUCK: Mr. Chairman, I think the other members of this committee will back me up when I say that of our whole governmental system, the Unemployment Insurance Commission has one of the most difficult tasks to perform. I believe they are dealing with these very difficult and intricate problems every day, and I know from my experience in the Niagara Falls area that the problems with which they are confronted almost hourly are very difficult. I think the Unemployment Insurance Commission is doing a splendid job keeping in mind that they are working under difficulties with very great problems.

The CHAIRMAN: Thank you Mr. Houck.

We have now concluded our public hearings. The remainder of this session will be held in camera. If the officials would retire now we will consider our report.

—The committee adjourned.

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