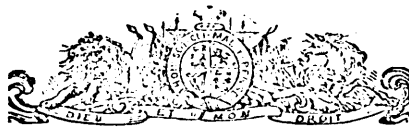


REPORT  
OF THE  
ROYAL COMMISSION  
ON THE  
RELATIONS OF LABOR AND CAPITAL  
IN  
CANADA



OTTAWA  
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1889

Commission Appointing Hon. James Armstrong, Q.C., C.M.G., et al., Members of a Royal Commission to Enquire into and Report on the Subject of Labor, and for other Purposes. Dated 9th December, 1886. Recorded 20th December, 1886. L. A. Catellier, Deputy Registrar General of Canada.

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## CANADA.

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LANSDOWNE.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland,  
QUEEN, Defender of the Faith, &c., &c., &c.

*To all to whom these Presents shall come, or whom the same may in any wise concern :*

GREETING :

WHEREAS, His Excellency the Governor General of Canada in Council has recommended that a Royal Commission shall be issued for the purpose of enquiring into and reporting upon the subject of Labor, its relation to Capital, the hours of labor, and the earnings of laboring men and women, and the means of promoting their material, social, intellectual and moral prosperity, and of improving and developing the productive industries of the Dominion so as to advance and improve the trade and commerce of Canada; also, of enquiring into and reporting on the practical operations of Courts of Arbitration and Conciliation in the settlement of disputes between employers and employes, and on the best mode of settling such disputes; also, of enquiring into and reporting on the expediency of placing all such matters as are to form the subjects of such enquiry under the administration of one of the Ministers of the Crown :

AND WHEREAS we deem it expedient in the interest of and as connected with the good government of Canada to cause such enquiry to be made;

NOW KNOW YE, that We, by and with the advice of Our Privy Council for Canada, do, by these Presents, nominate, constitute and appoint the Honorable James Armstrong, of the City of Ottawa, in the Province of Ontario, Q.C., C.M.G., late Chief Justice of the Island of Saint Lucia; Augustus Toplady Freed, of the City of Hamilton, in the Province of Ontario, Publisher; John Armstrong, of the City of Toronto, in the Province of Ontario, Printer; Samuel R. Heakes, of the said City of Toronto, Boat-builder; Jules Helbronner, of the City of Montreal, in the Province of Quebec, Journalist; Michael Walsh, of the City of Halifax, in the Province of Nova Scotia, Carpenter; James Alfred Clark, of the Town of Carleton, in the Province of New Brunswick, Builder; together with such other gentlemen as may be added by order of His Excellency, our said Governor General in Council, Commissioners to make enquiry into all the facts connected with or having any bearing upon the subjects above indicated.

AND WE DO HEREBY, under the authority of an Act of the Parliament of Canada, passed in the thirty-first year of Our Reign, chaptered thirty-eight, and intituled "An Act Respecting Enquiries Concerning Public Matters," confer upon the said Commissioners the power of summoning before them any party or witnesses, and of

requiring him or them to give evidence on oath, orally or in writing (or on solemn affirmation, if they be parties entitled to affirm in civil matters), and to produce such documents and things as such Commissioners deem requisite to the full investigation of the matters into which they are appointed to examine.

AND WE do order and direct, that the said Commissioners do report to Our said Governor General in Council, from time to time, or in one report, as they may think fit, the result of their enquiries.

AND WE do hereby nominate, constitute and appoint Alfred Hill Blackely, of the Town of Galt, in the said Province of Ontario, Esquire, to be the Secretary of the said Commission.

IN TESTIMONY WHEREOF, we have caused these Our Letters to be made Patent, and the Great Seal of Canada to be hereunto affixed: Witness our Right, Trusty and Entirely Beloved Cousin, the Most Honorable Sir Henry Charles Keith Petty Fitzmaurice, Marquis of Lansdowne, in the County of Somerset, Earl of Wycombe, of Chipping Wycombe, in the County of Bucks, Viscount Calne and Calnestone, in the County of Wilts, and Lord Wycombe, Baron of Chipping Wycombe, in the County of Bucks, in the Peerage of Great Britain; Earl of Kerry and Earl of Shelburne, Viscount Clanmaurice and Fitzmaurice, Baron of Kerry, Lixnaw and Dunkerron, in the Peerage of Ireland; Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George; Governor General of Canada, and Vice Admiral of the same.

At Our Government House, in Our City of Ottawa, this ninth day of December, in the year of Our Lord one thousand eight hundred and eighty-six, and in the fiftieth year of Our Reign.

By Command,

G. POWELL,

GEO. W. BURBIDGE,

*Under Secretary of State.*

*Deputy of the Minister of Justice, Canada.*

At subsequent dates Commissions were issued to William A. Gibson, of Ottawa, Blacksmith; Urias Carson, of Ottawa, Cabinet-maker; Patrick Kerwin, of the City of Quebec, Machinist; Louis Coté, of St. Hyacinthe, Manufacturer; Hugh A. McLean, of London, Ont., Printer; John Kelly, of Portland, New Brunswick, Manufacturer; William Haggarty, of Sydney Mines, Teacher; Guillaume Boivin, of Montreal, Manufacturer.

NOTE.—Hon. James Armstrong who had been appointed Chairman of the Commission, died at Sorel on the 23rd day of November, 1888. Mr. A. T. Freed was subsequently appointed Chairman *vice* Hon. James Armstrong.

*The following Circular was issued by the Commission :*

ROYAL LABOR COMMISSION,

OTTAWA, 16th November, 1887.

The Royal Commission appointed for the purpose of making enquiries into all subjects connected with labor and its relations to capital will hold meetings from time to time (as may be announced) at various centres of industry.

The Commission will be glad to hear any evidence that may be offered bearing on the subject of labor, its relation to capital, the hours of labor, the earnings of laboring men and women, methods of arbitration for the settlement of disputes between employers and employes, and generally any means that may be advanced for promoting the material, social, moral and intellectual prosperity of the working classes.

For the purpose of giving a better idea of what subjects are considered pertinent to these enquiries the following general heads are given, viz. :—

Factory laws.

Laws regarding machinery.

Lien law and garnishment of wages.

Proportionate profits of capital and labor.

Cheapening of production by use of machinery.

Has the use of machinery lowered wages?

Profit-sharing.

Iron-clad contracts.

Conspiracy laws and black-lists.

Masters and servants Acts.

Child labor.

Female labor.

Employers' liability.

Truck system.

Foreign contract labor.

Land and other rents.

Weekly payments and pay days.

The apprentice system.

Hours of labor and rates of wages.

Purchasing power of wages.

Wages in Canada as compared with those in Great Britain and the United States.

Arbitration.

Effects arising from organized labor upon the working classes.

Strikes and their results.

Labor combinations.

Difference between manufacturers' prices and cost to consumers; and is this difference greater or less in the case of imported articles as compared with articles of home production?

Trusts.

Workingmen's co-operative benefit societies.

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Execution of judgments.

Fining of employ  s.

Sunday labor.

Industrial schools.

Tenement houses and workingmen's dwellings.

Building societies.

Immigration.

Sanitary arrangements of factories, workshops and workingmen's dwellings.

Co-operation in production and distribution.

Bureaus of labor statistics.

Convict labor.

Savings of the working classes, and their investments.

Although it is believed that these subjects will fairly cover the field of investigation, it must be distinctly understood that evidence may be taken on any other subject, not here enumerated, that may be deemed to come within the scope of these enquiries.

Special enquiry will also be made into the condition of persons employed in the agricultural, mining, lumbering and fishing industries.

A. H. BLACKEBY,

*Secretary.*

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## FIRST REPORT OF THE ROYAL LABOR COMMISSION.

*To His Excellency the Right Honorable Sir Frederick Arthur Stanley, Baron Stanley of Preston, in the County of Lancaster, in the Peerage of Great Britain, Knight Grand Cross of the Most Honorable Order of the Bath, Governor General of Canada, and Vice-Admiral of the same :*

Your Commissioners, appointed "for the purpose of enquiring into and reporting on the subject of labor, its relation to capital, the hours of labor, and the earnings of laboring men and women, and the means of promoting their material, social, intellectual and moral prosperity, and of improving and developing the productive industries of the Dominion, so as to advance and improve the trade and commerce of Canada; also of enquiring into and reporting on the practical operation of courts of arbitration and conciliation in the settlement of disputes between employers and employes, and on the best mode of settling such disputes; also of enquiring into and reporting on the expediency of placing such matters as are to form the subject of such inquiry under the administration of one of the Ministers of the Crown," beg leave to submit their report.

### WORK OF COMMISSION.

The Commission visited and took testimony in the following places: In Ontario—Toronto, Windsor, Chatham, St. Thomas, London, Petrolia, Hamilton, St. Catharines, Kingston, Cornwall and Ottawa. In Quebec—Montreal, Quebec, Lévis, Sherbrooke, Capelton, St. Hyacinthe and Hull. In New Brunswick—St. John, Moncton, Chatham, Newcastle, Fredericton, Marysville, St. Stephen and St. George. In Nova Scotia—Halifax, Dartmouth, Londonderry, Spring Hill, Amherst, Stellarton, New Glasgow, Sidney Mines, Glace Bay and Bridgeport. About eighteen hundred witnesses were examined, including a considerable number from towns not visited by the Commission, and from agricultural districts. The testimony taken is hereto appended.

### FEDERAL AND PROVINCIAL JURISDICTION.

By the British North America Act the Provincial Legislatures are given exclusive power to make laws affecting property and civil rights. Your Commissioners cannot venture to determine where, in legislation affecting labor and capital, the authority of the Dominion Parliament ends and that of the Provincial Legislatures begins. They are conscious that it is neither their duty nor their privilege to make specific recommendations to authorities by whom they were not appointed and to whom they are not answerable. But they have felt that if they should be over-nice in doubtful cases they would pass over some matters of great importance. They have, therefore, felt themselves at liberty to direct attention to all the chief evils which were exposed by the testimony, and to ask for their removal, without presuming to determine what authority is responsible for those evils or possesses the power to correct them.

### FEAR OF EMPLOYERS.

It is to be regretted that a number of witnesses refused to permit the publication of their names, fearing dismissal or other mark of disapprobation on the part of their employers. If that fear was well founded it is greatly to the discredit of those exercising such petty tyranny. In most cases, however, employers were quite willing that their hands should testify, and not a few actively interested themselves in the investigation.

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#### WAGES.

A table of wages, as paid in the several Provinces visited by the Commission, has been compiled, and will be found annexed. As some differences exist between the statements of employers and employes, the character of each witness has been indicated.

#### BETTER CONDITION OF WORKINGMEN.

The testimony taken sustains a belief that wages in Canada are generally higher than at any previous time, while hours of labor have been somewhat reduced. At the same time, the necessities and ordinary comforts of life are lower in price than ever before, so that the material condition of the working people who exercise reasonable prudence and economy has been greatly bettered, especially during the past ten years. (*See Appendix A.*)

#### RENTS.

The most marked exception to the rule of lower prices for the necessities of life is in house rents. These have advanced in all the large cities, and that to such an extent that a serious burden has been added to those borne by people struggling for a living. In one or two places co-operative savings associations have been formed, to enable persons in comparatively humble circumstances to acquire homes. (*See Appendix B.*) It is believed that the principle might be greatly extended, in such a manner that weekly or monthly payments, not materially greater than present payments for rent, would in a few years purchase homes, by means of terminable life insurance policies. This should be a purely business affair, though it is probable that benevolent legislation, in the direction indicated, might materially aid working people, without making them objects of charity. (*See Appendix C.*)

#### MUNICIPAL TAXATION.

In some cities, if not in all, the houses of the comparatively poor are, in proportion to their value, more highly taxed for municipal purposes than those of wealthy people. This is unjust. The poor man is justified in asking that he be no more highly taxed in proportion to his means than his more fortunate neighbor. The practice—happily not common—of leasing land for others to build upon was subject of complaint in Toronto and Hull, and appears to be productive of no little injustice.

#### LANDLORDS' PREFERENCE.

It is believed that in the collection of rents landlords should have no preference over other creditors, and that as many articles of household use as are necessary to comfort should be exempt from seizure to satisfy any debt.

#### SANITARY ARRANGEMENTS.

In many places no effectual means are taken to secure proper sanitary conditions in workingmen's dwellings. Testimony supports a belief that these houses yield to the owners a much larger revenue than houses of a better class, and certainly landlords can afford to make them safely habitable. In any case, the letting as a dwelling of a house in bad sanitary condition should be forbidden by law. Frequent inspection should be made, and some competent authority should order alterations or repairs when necessary to health. If the hours of labor be shortened workingmen will be able to seek homes in the suburbs of towns, where they will have the benefit of lower rents and will secure better sanitary conditions. Means for rapid and cheap transit are now being introduced, which will relieve congested industrial centres of their surplus population, to the great benefit of the working classes.

#### SHORTER HOURS.

The use of machinery and of improved means of transport have enormously facilitated the production and distribution of manufactured goods and natural products. (*See Appendix D*). The wealthy classes have by these means secured more luxuries, the laboring classes more necessities and comforts, and somewhat shorter hours of labor. Your Commissioners believe the ordinary working day may be still further reduced with advantage to workmen and without injury or injustice to employers. They recommend that the employment in stores and factories of women and children for more than ten hours in one day or more than fifty-four hours in one week be forbidden by law; and that all Government contracts stipulate that the daily hours of labor under them shall not exceed nine. (*See Appendix F*).

#### MASTERS AND SERVANTS ACTS.

The man who sells labor should, in selling it, be on an equality with the man who buys it; and each party to a labor contract should be subject to the same penalty for violation of it. No greater or different punishment should be imposed upon the workman, or even upon the apprentice, who quits his employment without notice than upon the employer who summarily dismisses an employé. Your Commissioners believe some existing provisions of Masters and Servants Acts not to be in accord with the liberal spirit of the present age; and they believe that justice would be secured by the abolition of such Acts, leaving only civil remedies to be sought for the breach of civil contracts. (*See Appendix H*).

#### MORALS.

The testimony does not sustain a belief that serious immorality exists in Canadian factories in which operatives of both sexes are employed. The proper enforcement of existing Factory Acts will remove the chief existing causes of complaint.

#### LABOR ORGANIZATIONS.

Labor organizations are necessary to enable workingmen to deal on equal terms with their employers. They encourage their members to study and discuss matters affecting their interests and to devise means for the betterment of their class. It is gratifying to be assured by many competent witnesses that labor bodies discourage strikes and other disturbances of industry, favor conciliation and arbitration for the settlement of disputes, and adopt conservative and legitimate methods for promoting the welfare of the producing members of society. It is in evidence that most labor bodies strive effectively to promote temperance throughout the country, and especially among their members.

#### CO-OPERATION.

Little evidence was found of co-operation in industry or trade, and none at all of participation in profits by workingmen, though both systems exist in other countries and have been attended with satisfactory results. It is recommended that the Labor Bureau, if established, publish from time to time such information respecting co-operation and profit sharing as may be obtainable.

#### SAILING VESSELS ON THE LAKES.

It is in evidence that sailing vessels navigating inland waters frequently undertake voyages under circumstances which imperil the lives of the crews. It is earnestly recommended that the State provide by legislation for proper inspection of all vessels on the lakes and rivers of Canada; and further, that such vessels be not permitted to leave port unless found seaworthy, sufficiently manned with competent sailors, provided with life-saving appliances, furnished with suitable accommodation and necessary supplies for all on board, and not overloaded.

#### RAILWAY ACCIDENTS.

Serious complaints have been made respecting the dangers to which railway hands are exposed. Your Commissioners are of opinion that the attention of Legislators should be given to this matter, especially with a view to enquiry whether running-boards on freight cars should not be widened, whether rails or guards may not be placed upon such cars, whether improved couplers may not be introduced, whether the air-brake may not be attached to all freight cars, and whether the buffers or dead-woods now used on some cars may not be made less dangerous. It is believed, also, that if railway employ  s were paid more frequently than once in each month, the advantage to the men would greatly outweigh the expense to the companies.

#### FISHERIES.

Our fisheries are among the most important of Canadian industries. Benevolent governmental and legislative care and the judicious distribution of bounties have greatly fostered them. Testimony supports a belief that in several places the fisheries are injured by improper methods. (*See Appendix M*).

#### MINING IN NOVA SCOTIA.

Much interesting and valuable testimony was taken in the mining regions of Nova Scotia. The chief complaints made by miners were that wages were not paid with sufficient frequency, that deductions from their wages for the support of schools were too high, that in some places they felt themselves compelled to deal at company stores, and (in Cape Breton) that the enforced stoppage of work in winter, owing to the closing of ports by ice, very seriously reduced their earnings. It was believed by some witnesses that if the railway to Louisbourg were restored sale would be found for coal during the winter months, and that mines could be operated throughout the year.

#### CERTIFICATED ENGINEERS.

There is serious danger in permitting unskilled men to control large steam engines and boilers. It is recommended that strict examination be made and certificates be issued to properly qualified persons, and that none who do not hold such certificates be permitted to remain in charge of engines exceeding a certain power, to be fixed by law, or of boilers used for heating factories or other large buildings. It is also recommended that frequent inspection of boilers be made by competent officials.

#### EMPLOYMENT OF CHILDREN.

In some parts of the Dominion the employment of children of very tender years is still permitted. This injures the health, stunts the growth and prevents the proper education of such children, so that they cannot become healthy men and women or intelligent citizens. It is believed that the regular employment in mills, factories and mines of children less than fourteen years of age should be strictly forbidden. Further, your Commissioners think that young persons should not be required to work during the night at any time, nor before seven o'clock in the morning during the months of December, January, February and March. (*See Appendix E*).

#### CHILD-BEATING.

The darkest pages in the testimony which follows are those recording the beating and imprisonment of children employed in factories. Your Commissioners earnestly hope that these barbarous practices may be removed, and such treatment made a penal offence, so that Canadians may no longer rest under the reproach that the lash and the dungeon are accompaniments of manufacturing industry in the Dominion.

## FINING.

The system of fining employ  s, which prevails in some factories, is unjust, and is sometimes made an instrument of petty tyranny by foremen. The laws should secure to every operative the full sum his employer has agreed to pay him. The proprietor has at command ample means to enforce discipline and secure good workmanship without depriving his hands of any part of the wages lawfully due. (*See Appendix O.*)

## INSPECTION OF FACTORIES.

Frequent and thorough inspection of factories should be made, and stringent laws should imperatively require safety and proper sanitary conditions in the buildings, protection of the machinery against accidents, and ample means for escape in case of fire. Female inspectors should visit factories in which females are employed, in order that enquiries may be made which men cannot properly make of women. Where considerable numbers of women and children are employed their immediate supervision should, where it is possible, be entrusted to women. Both employers and employ  s desire that the main provisions of Factory Acts be similar in all the Provinces. That this agreement is quite feasible is evident from the fact that at the time the Commission visited Ontario and Quebec the laws on the Statute Books of those Provinces were almost identical. Inspectors should not be entrusted with the enforcement of the Acts, but should report frequently—say weekly—to their official superiors, who should take action when necessary. Reports of inspectors should be promptly published. There will be no injustice in this, since the man who violates the law must not complain if the fact be made known; and fear of publicity will generally secure compliance with proper legal requirements. In some foreign countries workmen have been greatly benefited by provisions in Factory Acts requiring the regular inspection of temporary structures and appliances, such as scaffolds and derricks, and also of chains, tackle and other gear used in loading and unloading vessels. Your Commissioners recommend the adoption of such requirements in Canadian Acts. Many employers, as well as employ  s, asked that the Factory Acts be applied to stores and to small shops in which less than twenty persons are employed. Your Commissioners believe that if these requests be granted the sanitary conditions of these places will be improved, and the evils of the sweating process will be diminished, if not wholly removed.

## SUMMARY SUITS FOR WAGES.

Testimony received leads your Commissioners to think that artisans, laborers, domestic servants, and others, should have power to obtain from magistrates or county courts summary judgment for wages due. If courts corresponding to the *Conseils des Prud'hommes*, of France, be established, they might be given jurisdiction in such cases. In cases of bankruptcy wages should have preference over all other claims, and, where practicable, workmen's wages should constitute a lien upon the products of their labor. This could not be done in cases of articles of ordinary merchandise, since sales could not be effected if any legal claim were to follow the goods; but it should apply to public works, to buildings, and even to saw-logs and timber. (*See Appendix L.*)

## COURTS OF ARBITRATION.

Strikes and lock-outs are the most expensive and the most irritating means for settling disputes between employers and employed. Courts of arbitration, conciliation and the settlement of minor differences, have proved successful in other countries, and it cannot be doubted that they would be of great advantage to workmen and to employers of labor in Canada. (*See Appendix I.*)

## LABOR DAY

Your Commissioners recommend that one day in each year be set apart by proclamation, to be observed throughout the Dominion as a statutory holiday, and that it be known as Labor Day.

## TECHNICAL EDUCATION.

Admirable systems of primary and of advanced instruction have been established in the several Provinces, by means of which the youth of Canada have educational advantages not surpassed in the world. Your Commissioners believe that these systems would be improved, and that great benefit would result, if technical knowledge were imparted in the common schools, in special schools or classes, or in colleges of technology.

## APPRENTICE SYSTEM.

The apprentice system is almost a thing of the past. The factory system, the introduction of machinery and the division of labor have nearly put an end to it. In some trades apprentices are still taken. Instruction in technical schools is calculated to replace the old system to some extent. The Government might, as prizes for proficiency in technical schools, send a limited number of young men to foreign schools, where they would acquire knowledge of value to Canadian manufacturers, and would fit themselves to be teachers in like schools at home.

## PATENT LAWS.

Your Commissioners believe the patent laws of the Dominion and the practice in the Patent Bureau to be susceptible of material improvement. (*See Appendix K*).

## IMMIGRATION.

While the immigration of farmers and farm laborers will greatly benefit the country, it is believed that in the future money assistance to immigrants of every class may be properly withheld. Further, the sending to Canada of inmates of poor-houses and reformatories should be prohibited. Strict medical examination should be made at ports of landing and persons likely to become objects of charity and those having incurable diseases should be forbidden to land, and that importations of foreign workmen under contract be not permitted. (*See Appendix K*).

## EXTENSION OF TRADE RELATIONS.

Your Commissioners think the Government may, with advantage, cause enquiries to be made, with a view to learn in what countries it is possible to sell Canadian products; also, that some system may be devised of accrediting Canadian commercial agents in foreign countries, yet so as not to involve governmental responsibility. Further, they suggest that enquiry be made whether encouragement may not be extended to the home production of some manufactured goods as well as raw materials now imported. (*See Appendix K*).

## EMPLOYERS' LIABILITY.

Within certain limits employers are now required to compensate workmen injured while in the discharge of their duties, or their heirs in case of death. Your Commissioners think the compensation should be recoverable even in cases where negligence on the part of the employer or his agents, or defect in machinery, has not caused the accident. The owners of machinery benefit by its use and should be primarily responsible for accidents caused by it. If all be placed on an equal footing no injustice will be done to manufacturers, since they will add to the price of their wares a sum sufficient to insure employes; and this extra charge for insurance should be considered when fixing the protection against foreign competition which manufacturers ought to enjoy. (*See Appendix G*).

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#### INSURANCE AGAINST ACCIDENT.

It is possible still further to assure workmen by means of a governmental system of payment to the heirs of persons killed by accident, and your Commissioners recommend the establishment of such a system. They further suggest that the Government invite tenders from insurance companies, now existing or to be established, for securing payments during disability to persons sustaining accidental injuries. (*See Appendix C*).

#### ANNUITY SYSTEM.

Encouragement to working people to deposit their surplus earnings in the Post Office and Government Savings Banks has been productive of incalculable good. It is believed that still greater good would be accomplished were Parliament to create an annuity system, under which working people and others might make provision for old age by periodical or occasional payments of small sums. Such system has been found practicable in France; there is no reasonable doubt that it would be quite as practicable here. It would remove from many the fear of dependence upon relatives or upon charity in their declining years, and it could be managed without expense to the Government. (*See Appendix C*).

#### PROMPT AND FREQUENT PAYMENTS OF WAGES.

Justice demands that the workman be paid for his labor at frequent intervals, in cash and in full. He should not be required at any time or under any circumstances to accept pay in goods, and it is believed that if he were paid frequently and promptly he would seldom be compelled to seek advances or ask credit. The truck system of payment, which happily has but little foothold in Canada, should be prohibited. (*See Appendix L*).

#### CURRENCY OF EMPLOYERS OBJECTED TO.

Believing that only the Government and the chartered banks should be permitted to create money, your Commissioners recommend that the issue by any other persons or bodies of scrip, notes, tokens, or other promises to pay, or evidences of indebtedness intended to be used as currency, be forbidden by law. (*See Appendix L*).

#### COLLECTING SMALL DEBTS.

The charges for collecting small debts sometimes press heavily upon workmen. One witness testified that in Montreal it would be possible to seize every week for a small debt half the wages of a man earning \$7, and that the costs would exceed the sum realized, so that the debt would actually be increased instead of being gradually extinguished. Though there is no evidence that this possibility has ever been converted into a fact, more than one witness has testified to a very small debt growing to a formidable sum by the addition of costs. One witness owed \$22.50 for three months' rent. Furniture for which he had paid \$165 was seized and sold, and after the sale the debt was greater, by reason of costs, than the original sum. Six years later this man's wages were seized, and he paid 50 cents a week for two years before he was wholly relieved from the obligation. Still another witness told the pitiful story of an unfortunate who owed a grocer \$4, which, by the addition of costs, grew to \$15. His wages were seized while his wife lay ill, and in his despair the poor man took his own life. Your Commissioners believe that law costs for the collection of small debts should be reduced to the lowest possible sum, and that the garnishment of wages should be forbidden.

#### CONVICT LABOR.

Witnesses examined respecting the treatment of convicts are of opinion that these unfortunate persons should be regularly and steadily employed at productive industry. There is serious complaint that goods made in prisons are sold in compe-

tition with the products of free labor, at less prices, and that in consequence wages are lowered, mechanics deprived of employment, and industry disturbed. The system of letting the services of prisoners to contractors appears to be vicious in itself, and unprofitable to the State, while it interferes with the reformation of the criminal. It is recommended that prisoners be employed in making articles for Government use; and that if any goods be manufactured for sale they be such as are not produced by other workmen in Canada, or that they be wholly sold in foreign markets. (See Appendix N).

#### DRINKING HABITS.

Many witnesses complained of the temptations to use intoxicating liquors to which workmen are exposed. In Cape Breton miners and managers of mines joined in recommending that the sale of liquor within three or five miles of any mine should be prohibited, and some favored total prohibition. A witness in Montreal deplored the fact that so many drinking-houses exist on the routes followed by workmen in going to and from their work. In other Provinces similar testimony was given. The interests of temperance would be served if, in all the Provinces, bar-rooms were required to be closed during the whole of every election day. It is also possible to greatly reduce the number of drinking places by requiring a certain distance to exist between any two, and that the number of licenses be based upon population.

#### ELECTION DAY.

Since the great majority of workmen are voters, it is important that they be not deprived of opportunity to exercise their electoral privileges. The law of Ontario provides that they may, on election days, have a lengthened intermission at noon in which to cast their ballots. Your Commissioners believe such provision should be made in the other Provinces.

#### CREDIT SYSTEM.

The credit system is almost always detrimental to the workman, and any legislation which restricts it will do good. Testimony shows that articles paid for by instalments are sold at extortionate prices, and that frequently, when a purchaser fails to meet a payment, the articles are taken back and all payments upon them are lost. It is recommended that after a certain percentage of the purchase money is paid the law shall hold the sale to be completed; and that if suit be brought to recover the balance judgment shall be given only for the sum required to make up the fair merchantable value of the goods when delivered.

#### LABOR BUREAU RECOMMENDED.

Your Commissioners are firmly persuaded that the interests of working people will be promoted if all matters relating to labor and capital be placed under the administration of one of the Ministers of the Crown, so that a Labor Bureau may be established, statistics collected, information disseminated, and working people find readier means of making their needs and their desires known to the Government.

The signed papers hereto annexed are, for the most part, based upon testimony taken by the Commission, but in less part on information otherwise acquired. They have been carefully considered, and their main conclusions are approved by all the subscribers hereto.

#### BRITISH COLUMBIA WORKMEN.

A series of resolutions adopted at a meeting of workmen at Victoria, British Columbia, is printed as an appendix hereto.

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**DISPUTES BETWEEN EMPLOYERS AND EMPLOYED.**

Your Commissioners have not felt themselves at liberty to refer, in this report, to the many cases of dispute between employers and employed which were brought to their notice. In most instances these were of a private rather than of a public nature, and the great majority of them have now been adjusted. For example, the long standing differences between the merchants and the ship-laborers of Quebec have been amicably arranged by concessions honorable to both parties.

**DISTRIBUTING THE REPORT.**

It is recommended that a copy of this report be sent to each of the chief labor organizations in Canada.

**DEATH OF JUDGE ARMSTRONG.**

In closing their report your Commissioners have the sad duty of expressing their profound sorrow at the sudden death of their former Chairman, the Honorable James Armstrong, C.M.G., which took place at Sorel, on the 23rd of November last. A sincere christian, an earnest patriot, an able jurist, an upright and honorable man, faithful to his convictions and punctilious in his devotion to duty, his death is lamented as an irreparable loss to the Commission and a personal grief to its members.

All of which is respectfully submitted.

(Signed,)

A. T. FREED,

*Chairman.*

JULES HELBRONNER,

J. ALFRED CLARK,

MICHAEL WALSH,

G. BOIVIN.

Ottawa, 23rd February, 1889.

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## APPENDIX A.

### COMPARATIVE COST OF LIVING.

The Commission has made many enquiries as to the cost of living compared with that in Great Britain, in the United States, and with that in Canada in former years. On the first and second points the testimony is not so full as could be desired, resting for the most part on opinion; but it may be said that the cost of most articles essential to well being and comfort is higher in Canada than in Great Britain and lower than in the United States. Not a few were found who expressed an opinion that the cost of living is greater in Canada at present than in former years. A machinist in Toronto thinks the purchasing power of money not so great as it was ten years ago. Another Toronto witness thinks the prices of commodities higher than in former years. One in Hamilton thinks the cost of living has increased of late years. One in London thinks the purchasing power of a dollar not half so great as it was eight years ago. And so on throughout the four Provinces. When these witnesses were pressed to go into particulars they were, almost without exception, unable to do so, or showed by their answers that they had not familiarized themselves with prices; and it is not unfair to think that they had increased their expenditures by purchases of supplies in greater quantity or of better quality than they could formerly afford, and that this fact had led them to think the prices of commodities had risen. On the other hand, a witness in Toronto (a mechanic) thought that working people live in better style than formerly; another in the same city that provisions are no dearer than in former years, while clothing is cheaper; and many others throughout the several Provinces were of the same opinion. But there is reason to fear that the most of this testimony is mere matter of belief. It is much more satisfactory to turn to the actual prices paid or received by a number of witnesses, or the market reports taken from the books of merchants or the columns of journals, whose publishers must have taken pains to procure correct figures, and who could have had no reason to misrepresent the facts. The comparative table of market prices in Toronto, supplied from the columns of the *Toronto Globe* by Mr. Thomas Galbraith, market reporter for that journal, will be found at pages 191 and 192 of the Ontario testimony, and it shows that the larger number of articles of household use have fallen in price, while a few have advanced. The testimony of a grocer, of Hamilton, will be found at page 764 of the Ontario volume, and is worthy of careful study. It is summed up in his statement that taking the whole quantity of groceries an ordinary family requires, a man can supply himself more cheaply at present than would have been possible ten, or fifteen, or twenty years ago. A Hamilton miller testified that flour which sold ten years ago for \$5.50 now sells for \$3.70, and is a better article. The testimony on page 1105 of the Ontario volume shows that beans and pork are somewhat dearer than in 1877, while flour, tea, sugar and syrup are cheaper. The testimony on page 216 of the Nova Scotia evidence shows tea, coffee, flour, oatmeal, cornmeal and oil to be cheaper than in former years, and tobacco dearer. The testimony on page 91 of the New Brunswick volume supplies a great deal of valuable information, and is summed up by the remark: "I can scarcely think of anything that is not cheaper now." That has reference only to provisions. A comparative table of prices was put in at Chatham, N.B., which will be found at page 369, New Brunswick volume, and shows a general lowering of prices. The testimony at page 372 of the same volume shows lower prices for flour, beef, sugar and tea, and higher prices for pork. A memorandum put in at Newcastle (page 415 of the New Brunswick volume) shows a general lowering of prices, but it carries the comparison back only to 1882.

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A wholesale grocer (Montreal volume, page 710) testifies that such articles as working people are in the habit of using are cheaper to-day than they were five or six years ago. A retail dry goods merchant of Montreal (page 711) testifies that dry goods of the descriptions used by workingmen are cheaper than they were ten years ago, or more. A provision merchant (page 712) testifies that flour has fallen in price. A retail shoe dealer at Montreal (page 714) testifies that boots and shoes are cheaper than they were seven years ago. A hardware merchant (same page) gives similar testimony as to hardware used by the working classes. A butcher (page 716) testifies that in ten years there has been no material change in prices of butchers' meat. A provision dealer (page 719) testifies that prices of butter, eggs and cheese have changed but little in seven years. A wholesale clothier (page 725) testifies that clothing of the descriptions used by workingmen is from 16 to 25 per cent. cheaper than it was ten or fifteen years ago. A furniture dealer (page 726) testifies that furniture is from 25 to 50 per cent. cheaper than it was fifteen years ago. Fortifying all this testimony is that of many manufacturers in all the Provinces, the great majority of whom testify that the prices of their goods have materially fallen during the past ten years. In all the large cities rents have risen very materially; and that is a highly important matter in a country where rent takes so considerable a part of the average earnings of a workingman as in Canada.

A. T. FREED.

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## APPENDIX B.

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### CO-OPERATIVE BUILDING SOCIETIES.

Associations have, for many years and in many countries, been in existence to secure co-operation among workingmen in building houses and securing homes for themselves. Your Commissioners have found only two such societies in the course of their investigations—the one in Hamilton, the other in Halifax. The Hamilton Homestead and Loan Association is formed on what is known as the Philadelphia Plan. Only stockholders are permitted to borrow, and they pay 6 per cent. interest on the face of their loans. The society has been in existence but a few years. Fresh issues of stock are made at the end of each six months, and payments are made at the rate of \$1 per share each month, until the stock matures, which will be in about eight years. Stockholders who do not borrow receive \$200 for each share at maturity. Of the first series of stock, 649½ shares were taken by mechanics and laboring men, 233 shares by clerks, 130½ shares by sewing women and female servants, and 33 shares by professional men. At the time the Commission visited Hamilton 128 houses had been built by means of loans from the association, and 123 of these were owned by mechanics. Then is reason to believe the system to be admirable, but stockholders who do not borrow receive very high interest for their money. The Halifax Association is a co-operative savings and loan association. It lends money to stockholders only, on real estate security, for any purpose. Borrowers receive about \$234 for each share, the face value of which is \$240, and monthly payments of \$2.40 for each share pay the interest and extinguish the principal in eleven years and seven months. These associations may be formed under Dominion or Provincial authority. Their chief value is the encouragement they give working people to acquire homes, by making small monthly payments, not materially greater than the sums they would pay for rent for like houses.

A. T. FREED.

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(Translation.)

## APPENDIX C.

### SAVINGS OF THE WORKING CLASSES, AND THEIR INVESTMENT.

#### INSURANCE AGAINST ACCIDENTS.

It is perfectly useless to discourse at much length on the benefits of life insurance. This financial combination is to-day perfectly understood and appreciated, as the constant increase of the number of policyholders proves.

Life insurance is divided into two classes quite distinct: 1st, that whose manifold combinations are based on probable mortality caused by sickness or accident; and, 2nd, that which pays the amount assured only in case of death by accident, and a weekly indemnity in cases of disability resulting from accident.

If the working class has hitherto profited little by the different systems of life insurance that is due to two causes: 1st, to the high insurance premiums; and, 2nd, to the conditions of payment.

Certain employers or companies have thought, in view of the numerous accidents which have happened or can happen in their workshops or on their docks, that they ought to impose life insurance on their workmen, and to oblige them either to form among themselves a mutual insurance company or to consent to deductions from their wages for policies of life insurance.

Workingmen so assured who have testified before the Commission have almost all condemned this forced insurance, and the study of the systems of obligatory insurance exposed in the course of the enquiry justifies the assertions of the witnesses.

Two companies have furnished the Commission with all the documents concerning insurance in cases of accident of their workmen: these are, the Allan Line and the Grand Trunk Railway.

#### ALLAN LINE.

The Allan Line retains 1 per cent. of the wages of its employés, and with this amount so retained insures them in the Citizens Insurance Company, which in case of death, pays \$500 to the heirs of the victim, or \$5 a week in case of inability to work resulting from an accident. (Pages 334 and 335, Que.)

No policy has been produced before the Commission, but there is proof that this insurance protects laboring men only while they are working for the Allan Line. The heirs of a man killed on the quay or elsewhere outside his work would have no right to any indemnity.

Taking as a basis the mean earnings of 25 cents an hour, a sum below the average, we find that the longshoremen of the Allan Line pay a premium of \$0.0025 an hour of work, equivalent to an annual premium of \$9.12 for a protection of ten hours a day during 365 days.

An accident insurance company of Montreal \* would give the same indemnity—whether \$5 a week in case of inability to work, or \$500 in case of death,

\* It is true that the premium policy for daily or occasional insurance is necessarily higher than for yearly insurance of a like class; but longshoremen working regularly under contract for the Allan Line can be insured by the month or the season for less money than the sums now retained from their pay, or at least for the same premium, but for a period covering the twenty-four hours of the day, instead of ten hours, as per the system adopted by the Allan Line.

upon a payment of an annual premium of \$8.75, payable per quarter, and the policy which it would give covers not only accidents happening during ten hours of work, but all the accidents that could happen during the twenty-four hours of the day.

The insurance system put in force by the Allan Line is, then, onerous for the insured workmen; moreover, it has the double defect of being compulsory, and of being completely beyond the control of those interested, who are not in possession of any document establishing their claim.

#### GRAND TRUNK RAILWAY INSURANCE.

The Grand Trunk Railway proceeds otherwise, and has obliged its workmen to form themselves into a provident and assurance society.

For the provident society the employes are obliged to pay according to their occupations a monthly sum of 40 or 50 cents. The Grand Trunk Company contributes yearly to this fund a sum of \$10,000 (page 522, Ont.) The assured, in case of inability to work caused by sickness or by accident, receive an indemnity of \$3 a week for twenty-six weeks, and if the malady continues longer, and on declaration of a physician that the sick man is incapable of working, the latter receives a sum of \$100. If the incapacity to work is total the assured man can receive half or some part of his insurance (page 123, Que.) The first section of the sixth chapter of the rules of the society says that the member who shall have received one of these last compensations will have no more right to any indemnity for sickness.

The assurance in case of death is based upon the assessment principle, and is explained at page 121, Que.

This Grand Trunk Provident Society is entirely governed by the Grand Trunk directors (chap. 9 and 11 of the Rules), and the employes have absolutely no control over the management of the funds which they contribute. In fact, the Grand Trunk directorate has reserved to itself entire control of this assurance, although the company contributes only 20 per cent. of the total receipts of the funds for the sick.

Almost all the Grand Trunk employes who appeared before the Commission protested against this compulsory provident society. For the rest, this society is established outside every economic theory.

Out of the number of causes specified in the fourth report of the "Commission of enquiry into provident societies" in England, 1874, as having brought these societies to failure, we find :—

2 The mistaken system, still followed by many societies, of imposing uniform contributions, without regard of the age of the person joining.

That is the system followed by the Grand Trunk. The workmen are not opposed to the provident principle, but they wish a scheme based on something solid, and of which they may have control.

The Grand Trunk Provident Society can live only by the company's subscription. It is neither the work nor the affair of the employes, and it lacks completely that cohesion which we find in societies solidly constituted.

The insurance system followed by the Grand Trunk is very simple, but it is wrong in not being established in such a way as to permit the establishment of a class only when the lower class is complete. Thus, according to the testimony of the secretary of this insurance society (page 121, Que.), the two highest classes—A, \$2,000, and B, \$1,500, do not contain enough of members, so that the sums assured attain a maximum. In the interest of the employes one class ought to issue completely formed from the class immediately below.

The Grand Trunk Company, in consideration of its subscription to the funds for the sick, a subscription purely voluntary, which can vary from 1 cent to infinity, has reserved to itself the absolute control of the funds, and moreover obliges its employes to accept the following clause of the administrative rules of the society:—

11. In consideration of a subscription of the Grand Trunk Railway Company to the funds of the society, no member thereof, or his representatives, shall have any claim against the company for compensation on account of injury or death by accident.

This engagement had force of law in Ontario, and, by inscription in the statutes of that Province, had freed the Grand Trunk from all responsibility in case of death by accident of its employes, without any compensation on the part of the company.

Whether a man is killed by the fault of the company or not his insurance is paid by the employes; the company contributes not one cent to the payment of the insurance, and it is free from all responsibility and from all indemnity, without any compensation. The man killed costs the Grand Trunk less than the man wounded.

The law of Ontario not only sanctioned this iniquity, but declared that it would permit any company or any employer to perpetrate it, who should establish among employes an insurance like that imposed on employes by the Grand Trunk. If the system put in force by the Grand Trunk were universally adopted, companies and employers would be freed from all pecuniary responsibility, without incurring any charge, and men above forty-five years old, who might lose their situations, could not find others, for the simple reason that their age would exclude them from all such assurance societies.

All these systems are unjust, despotic and burdensome to the employes.\* Accident insurance is a necessity for workmen, but insurance companies cannot reach them without enormous expenses of commission and collection, increasing considerably the premium; and every practical solution seems impossible without the intervention of the State, and without the creation of

#### ACCIDENT INSURANCE BY THE GOVERNMENT.

The adversaries of State insurance oppose every project of this nature, alleging that the State should not, under any form whatsoever, enter into competition with private enterprise; and that moreover, the State is always a poor administrator. These reasons are not wanting in force.

But there is an interest which surpasses all others: it is the public interest, and assurance being only an advanced form of saving, the State is as much justified in assuming the direction of it as it is in receiving the savings of the citizens in the Post Office Savings Bank.

Besides, if the State is a poor administrator, it is an excellent controller, and all its part, in the assurance project which we have in view, will be restricted to a simple control.

Accident assurance premiums, quite like life insurance premiums, are increased by the expenses of commission and of direction, which considerably augment their rates.

The movement of premiums and losses for accident insurance, death and indemnity, during the years 1885-86-87, has been:

	Premiums Received.	Losses Paid.
1885.....	\$145,202	\$59,358
1886.....	165,384	80,431
1887.....	194,610	83,318
	<hr/> \$505,196	<hr/> \$223,107

or, for three years, the sum of \$282,089 in excess of losses undergone and absorbed by commissions, expenses of management and dividends to shareholders. In fact, the figures of these three last years prove that 45 per cent. of the premiums paid were enough to cover the losses sustained.

It is to render accident insurance easy for all that the State ought to assume the direction of an insurance of this kind, and to suppress the 55 per cent. of excess of premium by taking in its own charge all the expenses of management.

What will be the effect on premiums of Government intervention?

In the absence of all industrial statistics, we will take as a basis the statistics of the census of 1881.

\* See also Appendices G and H.

According to these statistics our working population is divided as follows:—

Farming class.....	662,630	
Servant do .....	74,830	
Learned professions.....	52,974	
		790,434
Commercial class.....	107,646	
Industrial class.....	287,296	
*Not classified .....	205,228	
		600,170
		<u>1,390,604</u>

On the other hand, the total number of deaths by accident has been 1,752.

The number of persons between the ages of eleven and sixty-one years killed by accident in 1881 was 1,019. Accordingly, we will be certainly above the possible maximum of the premium, if we attribute the total of these deaths to the three last classes—that is to say, if we place the total losses upon 44 per cent. of the total number of workmen. In these conditions to pay to the heirs of each of the 1,019 victims a sum of \$1,000 it would have sufficed to levy previously on each workman a premium of less than \$1.70 per year.

In calculating insurance, what is true for a thousand persons is true for the mass, and *vice versa*. We can then say that in 1881 the State could have insured citizens against death by accident at a mean annual premium of \$1.70.

The realization of the project of insurance against death by accident is most easy.

The limit of assurance which a citizen may contract for will be fixed at \$1,000.

Assurance could be either \$500 or \$1,000.

Pass-books, like savings bank books, will be delivered by post offices, and the premiums contributed will be there inscribed, with the date of their payment. They could be made by means of stamps issued by the State, and of which the mode of obliteration will be indicated by the administration.

The State ought to issue two kinds of stamps—one of a fixed value, representing a month's assurance; the other representing the value of an insurance of one, two three, four, five or six working days.†

Those are the conditions, as we understand it, of the assurance management:

A workman would insure for one year for \$500 to pay his heirs in case of death by accident, and for that it would suffice him to make one payment of 85 cents (if we take for basis the calculation above), or to pay either directly to the post office or by the aid of insurance stamps a premium of 8 cents per month.

The employer would have power to assure his workmen for another sum of \$500, and for that it would suffice him to paste in his workman's insurance book one of the stamps representing the insurance premiums of a certain number of days. The pasting and obliteration of this day assurance stamp, are only questions of detail useless to consider at this moment.

In this way the workman will be insured for a fixed sum of \$1,000.

It will be permissible to him to complete his \$1,000 of insurance by stamps, whenever his employer may not be willing to insure him, or whenever he shall be without work.

\* Apprentices and laborers are included in those not classified.

† For the clearness of our statement we speak only of one premium, although in practice it will be necessary to establish classes of risks, as in ordinary insurance.

As to employers, it is only just to give them some compensation for the sacrifices they will make, and we are of opinion that every master assuring his workmen ought to be freed from all liability in case of death by accident happening from uncontrollable causes; his liability remaining, meanwhile, complete when the accident is attributable to negligence or to the bad condition of his buildings or machinery.

In this case even the premium of \$500 which would be paid by insurance would be deducted from the amount of damages incurred by the culpable master.

This assurance would not only have for effect to put the family of the victims beyond the reach of want, but also to solve this industrial question, namely: if salaries include or not an insurance premium on professional risks.

The insurance project which we have just set forth covers only the payment, in case of death or of permanent disability, of a certain sum, and does not in any way provide for the payment of a weekly sum in case of temporary

#### INABILITY TO WORK CAUSED BY ACCIDENT.

The roll of the State in the project which we have just explained is limited to the laying up and payment of fixed sums, established according to absolutely mathematical conclusions. In our opinion the State cannot interfere in the question of paying a weekly indemnity to persons disabled by result of accident.

There is there quite a series of possible frauds which could be prevented only by a costly supervision, entirely outside the ordinary functions of a Government. But the State can still intervene there as a collector. It could every year, for example, ask for tenders from insurance companies for the payment to its policy-holders of an indemnity of so much a week in case of illness resulting from accident. The State would collect always, with the aid of stamps, the premiums, and remit them to the company which would have taken the contract, and the assured, for this part of their assurance, would be submitted to all the conditions and all the varieties of control which companies impose and exercise to-day.\*

As to the expenses which the State will have to bear to put this assurance in working order, they would be insignificant compared with the results to be obtained.

They enter, besides, into expenses made under the name of public interest, and their benefits will be open to every citizen. They will be, certainly, smaller and as legitimate as those occasioned by the gratuitous transport by post of 55,000,000 of newspapers.

#### ANNUITIES FOR OLD AGE.

Is it possible to obtain in the same proportions the concurrence of the State for assurance on ordinary life? We think not. Life assurance is based on the state of health of the person assured; and the State, no more than in the case of insurance against sickness, can exercise, even at great expense, an effectual control against fraud.

It is with regret that we have arrived at this conclusion, for life insurance companies have established their premiums upon such bases that workmen are almost excluded from the benefits which these institutions distribute.

We find the proof of excessive tariff of premiums in the official reports published in the Blue Books. Thus, in 1887, Canadian companies, which take only 60 per cent. of the policies held in Canada, acknowledged a surplus of \$1,621,298 above all liabilities, the sinking fund included. That is to say, since the beginning of their operations the Canadian companies, with a paid-up capital of \$682,002, have realized

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\* In cases of workmen who belong to benefit societies, the Government may deal with those societies, instead of dealing with insurance companies.

a net profit of \$970,000 in excess of annual dividends, profits absolutely gained by the shareholders, since the sinking fund is sufficient to cover all risks in force.

And since the tariffs of Canadian companies are more advantageous than those of foreign countries, one can imagine the profits realized by these latter. What proves still more the uselessness of raising the tariff of premiums is the distribution made at certain times to the policyholders, under one form or another, in money or in reduction from the premium, of profits realized upon the premiums, and finally the monetary combinations offered during these latter years by some companies, combinations which seem marvellous to those who are not initiated in the mysteries of insurance calculation, and which are justly possible only by the exaggerated rates of the annual premiums. Finally, the expenses of management, and of collection and commissions, amount up to 25 per cent. of the premiums received.

The inflation of the tariffs of premiums is with difficulty borne even by the fortunate assured, since every year we find that a certain number of them have abandoned their payments. These payments, which persons of the better classes meet with difficulty, are, as we understand it, impossible to the working classes.

The State, though not able to interfere in a manner direct and absolute in the solution of this question, can, however, play an important part in it, which we shall indicate when we take up the question of mutual benefit societies.

There is a form of life assurance which the State can control and direct without any risk, and it is that assuring an annuity to the workman and his widow in their old age.

The providing of life annuities by the State for old age is not a new idea. The Government, in this instance, will have no project to study and to formulate. The institution has been in operation in France for thirty-eight years.

During the first years, workmen not having understood the advantages of this retiring allowance profited little by it. But, thanks to the devotion and to the energy of some philanthropists, this annuity system has received numerous adherents during the last twenty-five years, and the number of accounts opened up to the 1st January, 1888, was 10,308,079, having deposited \$118,477,303.†

The annuities paid have been \$48,242,108, and the deposits reimbursed at the death of depositors \$13,803,276.

The idea of the Legislator was to offer to the hard working laborer of the towns and country districts a means of insuring himself, by a light payment from his daily salary, a pension for his old age.

The Government receives and centralizes, with this aim, the smallest savings, and makes them fructify by the accumulation of interest, and the chances of mortality.

No retention or deduction is made for the expenses of management. This institution offers, then, to every man who lives by his wages, the possibility of preparing, under conditions of absolute security and with the greatest possible advantage, rest and independence in his old age. He will thus be certain not to be a burden to his own children, and he will be able, even, if he desires it, by reserving capital for their profit, to join to a legitimate forethought towards himself the satisfaction of leaving them a little sum at his decease.

Besides, if before the time fixed for his enjoyment of it, the depositor finds himself absolutely incapacitated for work, by reason of grave wounds or premature infirmities, regularly proven, he is put in immediate possession, even before fifty years, of a pension proportionate to his age and his payments.

These are the benefits which this institution procures.

Its operation is of the simplest kind. The depositor, after having complied with the necessary formalities, receives a pass-book, in which are entered the sums contributed, as well as a statement showing the amount of the annuity secured at fifty years by each payment.

† From 1850 to 1870, the deposits were on a yearly average \$1,400,000; in 1879, there were \$7,800,000; in 1880, \$11,800,000; and in 1881, \$13,600,000.

These pensions are established on two principles—on a capital alienated, or on a capital reserved. In the former case the annuity is higher, but the capital is lost. In the second the annuity is smaller, but the capital paid returns to the heirs of the depositor at his decease.

It would be easier and, at the same time, more advantageous to accept, up to fifty years, only deposits on a capital reserved. The depositor, except in cases of grave wounds, cannot draw his pension before the age of fifty years. He is then up to that age indifferent about getting his pension increased. On the other hand, he may die before fifty years, and his family would then inherit the sums paid.

On the other hand, the depositor will, at fifty years (when it is more than probable that his children are either grown up, or sufficiently grown to provide for their own needs), have the right of alienating his capital and receiving the highest annuity possible.

The depositor is not forced to take his pension at fifty years. On the contrary, it is to his interest to draw it as late as possible, the increase being much greater after fifty years than before; and if his strength still allows him to work he defers the date of his drawing from year to year. He is, however, obliged to take his pension at sixty-five years.

Payments made during marriage are, except in cases provided for by law, payable half to the husband and half to the wife, who can then pay up to the time when the figure of their pension attains the maximum. Half the annuity ends with the death of one of the parties.

The following figures will give an idea of the advantages which employes in Canada would derive from a similar institution. A young man of twenty years, paying 10 cents a week, would have a right to different annual pensions as follows:

	At 50 yrs.	At 60 yrs.	At 65 yrs.
Reserved capital .....	\$ 19 25	\$ 47 75	\$ 82 40
Alienated capital .....	27 65	69 05	123 25
He would have paid .....	156 00	208 00	234 00

Taking as example one of the most frequent cases which are found—that of a child in whom has been inculcated notions of economy, and who would put in the bank every week 5 cents from fourteen years to twenty years, 10 cents from twenty years to twenty-five years, 25 cents from twenty-five to the age of his retiring,—his pension would be payable as follows:—

	At 50 yrs.	At 60 yrs.	At 65 yrs.
Capital reserved.....	\$ 51 12	\$ 110 62	\$ 190 16
Capital alienated.....	63 27	164 85	287 19
He would have paid .....	366 60	496 60	561 60

But it may happen that at fifty years a man quite capable of earning his bread could not, however, earn enough to continue his payments. In that case it is permissible to him to cease his payments, keeping back, at the same time, the day when he will receive his allowance, which will naturally be a little lower than the figures above.

But if the assured dies, what, it will be said, will become of his widow?

Let us take, for example, the last case of assurance, and suppose that the man assured, having married at twenty-five years, dies at forty. He will have paid to that time \$236.60, and as the investments will have been made on capital reserved, the widow will receive \$236.60, or if she prefers it she can take the part belonging to her husband, say \$139.10, and keep for herself an investment for retiring of \$97.50.

The results obtained by accumulation of capitals placed at compound interest and increased by the chances of mortality are remarkable. We will give some examples drawn from tables of the French Caisse de Retraite, calculated at a rate of 4 per cent., and according to the mortality table of Deparcieux:—

*ANNUAL Pensions Produced by Saving Commenced at Eighteen Years.*

	Capital Alienated.		Capital Reserved.	
	At 60 yrs.	At 65 yrs.	At 60 yrs.	At 65 yrs.
Paying 1 cent a day, \$3.65 a year, one would have a pension of....	\$81 76	\$148 00	\$60 00	\$106 55
Paying 2 cents a day, say \$7.30 a year, one would have a pension of.	163 50	296 00	120 00	213 00

In a household, if one wished to make the pension be drawn at the same time, that is to say, at sixty-five years for the husband and sixty years for the wife, keeping an account of the probable difference of age, one would have: for payments of 2 cents a day, 1 cent for the husband and 1 cent for the wife, a retiring allowance of alienated capital, \$229.60, and reserved capital, \$167.80. For payments of 4 cents, 2 cents for the husband and 2 cents for the wife, a pension of capital alienated, \$459.40, and capital reserved, \$331.60.

Payments of 2 cents per day from eighteen years, continued up to the pension, would give the following results:—

	Sums paid.		Capital Reserved.	Capital Alienated.
At 60 years.....	\$306 60	} Pensions will be	\$127 40	\$163 40
61 do .....	313 90		142 20	182 80
62 do .....	321 20		159 20	205 00
63 do .....	328 50		178 80	230 80
64 do .....	335 80		201 80	261 08
65 do .....	343 10		228 60	295 80

It will be said, perhaps, that a workingman cannot always economize 2 cents per day. That is unfortunately possible; but what is equally possible is to live as well with 98 cents a day as with \$1.

The workman whose average salary is \$1 a day can, with a little energy, assure himself in old age a retiring allowance almost equal to his salary, and leave his heirs—widow, children or grandchildren—a sum exceeding a year of his salary.

People will advance, also, that the depositor who dies before receiving his pension loses the compound interest of his payments. That is true; but how many working men permit their deposits to accumulate? How many workmen, having put every year \$7.30 in bank—and they are numerous—have to-day from \$127 to \$228 annual revenue and a paid up life insurance of \$306 to \$343?

This annuity system thus constituted is susceptible of numerous combinations.

To gather up all those little sums which go in smoke, and which, put together, would form fortunes—the 25 or 50 cents which are given so liberally to children on New Year's Day; the prizes which are given to pupils; the presents which we make to children and to apprentices; the gratuities which we give to workmen for extra time or on holidays.

Thus, last year there were given in prizes in the Schools of Paris, whether by the city or by private individuals, 2,000 certificates of \$5, representing together \$12,000 annual pensions, and constituting an annuity of nearly \$10 for a child of ten years and one of \$5.20 for a young man of twenty years. (Night Schools.)

A child of six years, who, up to the age of twelve years, would have every year gained a certificate of \$2, would leave school having \$20 assured of pension at fifty-five years or \$29 at sixty years.

Gifts of \$2 at New Year to apprentices of twelve to sixteen years assured them a pension of nearly \$16, or a retiring allowance of about \$45 for a child who had received \$2 a year from six to sixteen years.

Finally, as Mr. Paul Matrat, a most distinguished economist, writes:—

“In order to make all the power of time felt in saving for a retiring allowance, I will state that a single sum of \$20 placed upon the head of a child of three years, earliest age at which payments can be made, assures him for fifty, fifty-five, sixty or sixty-five years an annual pension of \$29.80, \$46.60 and

\$76.60, and even of \$136, or resources corresponding to an actual normal revenue of from \$2,000 to \$3,000." "*La caisse de retraite de l'Etat et les sociétés de secours mutuels.*"—Paul Matrat—Page 15.

And all these sums given can constitute pensions in perpetuity; for, placed on reserved capital, they will return to the donees at the death of the beneficiary. Thus the certificates given at schools would be the property of the school, and would return to the school, to be distributed anew at the death of the titular, were it even in seventy years.

Many good actions can be accomplished without great sacrifices by this annuity system. A workman, becoming wealthy, can abandon his pension during his life to a companion or to a relation in need, reserving to his heirs the return of the capital.

An employer wishing to recompense an old servant places in his name a sum which will return to his heirs, but of which the accumulated annuities will be used by his servant.

Numerous employers have availed of this institution to ameliorate the lot of their workmen and to assure them an old age beyond want. The mining company of Anzin, for example, to encourage saving among its workmen, engaged to pay and does pay on deposit of its workmen a sum equal to that paid by them up to the amount of  $1\frac{1}{2}$  per cent. on salaries. In a word, a workman who places in the "Caisse de Retraite"  $1\frac{1}{2}$  per cent. of his salary receives from the company an equal contribution—say, a saving placed out of 3 per cent. of his salary.

The moral influence of this institution is considerable. Children who have made deposits have only one aim, one desire—to augment their deposit. Many cents and five cents have been deposited which would have taken another road without the certificates of the "Caisse de Retraite," and many children have acquired habits of economy to which they afterwards owed their future.

Speaking of the future, we will say that in numerous workshops they make once or twice a year "*the day of the future*," of which the product is entirely paid to the "Caisse de Retraite."

That which it is very well to draw attention to; is the absolute control outside of the withdrawal, which the depositor has over his deposit.

He can place it on reserved capital or alienated, and make the change when he likes; he can take his retiring allowance when he likes, starting from fifty years; he can reserve part of his deposit and alienate the rest; he can bequeath his capital as he desires. Payments are never lost and are always gained for him, even though he interrupts his payments. He can pay 20 cents or \$800 in the year. In a word, his money is his own—always his in full liberty.

The only thing which he cannot do is to withdraw his deposits. This irrevocability of deposits is a safeguard, and a sacred one, against the most irremediable misery, that which comes when strength is exhausted.

These results, wonderful as they appear to be, are due to saving, and above all to constant saving, no matter how small it be.

Unfortunately for workmen, they meet on the road which they traverse twice a day more taverns than savings banks, and it is more easy for them to spend five cents for a glass of beer or of ginger ale than to walk a mile to find a savings bank.

What it is necessary to do in order to increase savings of laboring men is to render economy easy, and able to be realized at all moments of the day, and to resolve this question we see only

#### SAVING BY STAMP.

To realize this idea it will suffice for the State to distribute cards, on which can be pasted special stamps of different values, called savings stamps. Whenever the holder of this card may wish to make a deposit he will carry his card of stamps to the Post Office Savings Bank, and the clerk, after having cancelled the stamps, will post the sum which they represent on the pass book of the depositor.

These savings stamps must be sold without expense to the State. Few employers

will refuse to keep them on hand in order that the workman on pay day may, if he desire, profit by the means of economizing 25 or 50 cents at the very moment when he receives his money—that is to say, at the moment when economy is easiest. Members of temperance societies will certainly see to it that the number of stamp deposits will be as large as possible.

School savings banks, established on the basis indicated by Mr. L. W. Sicotte in his testimony (pages 600 and 601, Que.), would have certainly for result to inculcate in children habits of economy, putting them at the same time in possession of capital which, however modest it might be, would have a great influence on the future of the little depositors.

But this State aid, far from doing injury to

#### MUTUAL BENEFIT SOCIETIES

can only strengthen them. Assurance against accidents, deposits in the "*Caisse de Retraite*" can be made by these societies, and many of them granting benefits of this kind may modify their regulations, so as to be able to profit largely by these Government institutions.

Mutual benefit societies can do much for the moral and material amelioration of workmen. In England and France they have as great an influence on the condition of workmen as trades unions have.

In these two countries these societies count millions of members, and their funds amount to considerable sums. Their success is due to a major cause: they are under the control of the State.

Saving is difficult for a workman, and when he has once undergone a loss he distrusts every society, and puts his money in bank, renouncing thus all the benefits of societies.

It is to remedy this state of things that in England, as in France, mutual benefit societies must get their regulations approved and their accounts audited by the Government. Numerous witnesses have pronounced in favor of this control for Canadian societies, a control which, according to them, has been promised by the authorities (pages 136, 216, 644, 813, Ont.).

But that ought not to limit the part of the State. It ought to do whatever these societies, especially the feeble ones, cannot do: it ought to study all these questions of mutual benefits, funds for the sick, workmen's insurance—in a word, it ought to prepare projects, combinations permitting the workingman to insure himself against sickness and death, and to do it under the most advantageous conditions.

Mutual benefit societies are too often founded on erroneous principles. Assessment by month is the same for all ages, and, the charges increasing with the time, it follows from this that the institutions so established are fatally called to disappear, to the great detriment of the members. The only English societies which have been able to maintain themselves and to prosper are those which have adopted entrance fees and assessments based upon the tables of mortality and of sickness of ordinary insurance.

All the projects which have just been set forth are of easy realization, and that without increasing the workingmen's expenses, if we can lighten them somewhat of the excessive charge which they have to pay under form of rent, and often of municipal tax.

#### WORKINGMEN'S DWELLINGS.

The question of rent, the increase of which has been almost continual during these last years, and has exceeded what laboring men have gained in increase of wages, will be settled only when workmen shall become owners.

It is undeniable that workmen are badly lodged, in houses badly built, unhealthy, and rented at exorbitant prices. To procure for the laboring man means of acquiring a property without increasing his expenses is a problem most easy of solution.

Insurance companies have always money to lend. The funds must be lent on good security.

Investments at from 5 to 6 per cent. on first mortgages will always be taken by insurance companies.

Why could not insurance companies build cottages for workmen? The construction of these dwellings by companies, rich and able to get work good of its kind and well finished cheaply, would cost less than houses badly built, constructed by small owners. Let us suppose that one of these cottages is built by the company at \$1,200.

The company would sell these houses to workmen, who could give them a certain sum cash down, say \$200. This sum would serve as a guarantee, and would be a proof of the saving habits of the buyer. The company would keep a first mortgage of \$1,000 on the house, and the buyer would take besides a life insurance policy, payable to himself in fifteen or twenty years.

What will be the charges upon the buyer during these twenty years, supposing him to be thirty years old?

\$1,000 at 5 per cent.....	\$ 50 00
Taxes and repairs, 3 per cent. on \$1,200.....	36 00
Assurance, endowment, twenty years annual premium, with participation *.....	43 19

Total..... \$129 19

The twentieth year, that is to say at fifty years, time when work is least remunerative, the workman will receive his insurance of \$1,000, with which he will pay for his house, and during these twenty years he will scarcely have paid, including taxes and repairs, more than a rent of \$10.75 a month—about 10 per cent. of the cost of the house, a rate below ordinary rents.

If he dies before the twenty years are up his family will pay for the house with the policy which is due. If it happens that he is not able to continue his payments the insurance company will give him a paid-up policy for the sums contributed, which he will be able to discount or receive at fifty years, just as for ordinary policies, and he will have been cheaply lodged. In these combinations the workingman can lose nothing and has everything to gain, as also the lender has. We have calculated the interest on the mortgage at 5 per cent., and we believe that it is sufficient. This investment is perfectly safe; and, moreover, the insurance company will have clients who will not cost it any commission. The premium paid will bring its own benefit; the mortgage is but an investment.

Here is an honorable and lucrative speculation. Who will commence it?

If any company, if any association will not commence this work, why should not municipalities commence it?

Montreal, Toronto and many other cities have lent and given money to railways. Other places gave bonuses to manufacturers who came to settle within their limits, or to those whose factories were burned. (Page 1313, Que.) Towns, in a word, protect and aid capital. Why should they not protect and aid labor? and that with so much the more reason as, hitherto, capital has never restored what it has borrowed from cities, while in the present case cities would be perfectly guaranteed.

#### MUNICIPAL TAXES.

At this date according to the testimony received by the Commission, municipalities, instead of protecting their workmen, seem to have established their taxes in

\* Premiums of La Canadienne, \$43.19; Canada Life, \$43.20." The risk classification of insurance companies will not alter the above premiums, as governmental assurance against accident will cover the extra risks of each trade. On the contrary, insurance companies may lower their premiums in consideration of this accident insurance, or may issue special policies, covering only natural death, and providing that in case of death by accident the heirs of the insured man shall be entitled to the return of the premiums, under the same terms as in the case of surrendered policies.

such a fashion as to strike, in preference, the contributors least wealthy. This complaint is almost general, and seems unfortunately justified. It has been impossible for us to study all the municipal budgets, and we have limited the search for proof to the budget of the city of Montreal, which is more familiar to us. (*See testimony: assessment, water rates, taxations, carters*).

We have thought it a duty to make this research to verify the complaints which have been brought before the Commission (pages 86, 88, 219, 263, 472, 528, 545, Que., 25 to 28, Ont.), and we have, as regards Montreal, recapitulated our enquiries in the following tables:—

TABLE I.

Real Estate valuations and Taxes imposed at Montreal, from 1876 to 1886.

	M.—Montreal.	H.—Hochelaga.	S. J. B.—St. Jean Baptiste.	
Years.	Real Estate Valuations.	Real Estate Taxes.	Business Taxes	Water Taxes.
	\$	\$	\$	\$
1876.....	81,208,215	974,498	209,304	397,055
1877.....	78,401,131	940,813	201,521	395,762
1878.....	71,302,394	853,945	165,778	376,859
1879.....	65,595,606	785,808	156,964	360,210
1880.....	64,514,401	774,172	154,520	353,420
1881.....	65,978,930	791,747	160,954	372,137
1882.....	67,846,670	812,776	172,713	389,622
1883.....	69,800,013	837,600	184,005	413,201
1884 M.....	71,177,502	854,130	189,909	437,237
1884 H.....	1,825,985	18,783	1,626	6,547
	73,003,487	872,913	191,535	443,784
1885 M.....	72,490,538	869,886	191,777	443,421
1885 H.....	1,768,975	18,238	2,358	7,527
	74,259,514	878,124	194,135	450,948
1886 M.....	74,309,637	891,715	198,631	459,356
1886 H.....	1,816,525	18,706	2,630	8,440
1886 S. J. B.....	1,665,865	17,059	1,694	1,795
	77,792,027	927,480	202,955	469,591

TABLE II.

Assessments of Rents and of Water Tax at Montreal in 1876 and 1886.

## RESIDENCES, 1876.

Rents.	Houses Inhabited.	Houses Vacant.	Water Rate.	Rental Value.
			\$	\$
\$ 30 to \$ 90.....	16,575	694	114,034	887,250
100 to 190 .....	4,561	206	59,683	584,420
200 to 290.....	1,625	50	29,468	331,490
300 to 490.....	1,217	38	32,200	368,640
500 and over.....	598	25	28,737	360,310
Total.....	24,576	1,013	264,122	2,532,110

## 1886.

\$ 30 to \$ 90.....	21,063	119	140,164	1,092,180
100 to 190.....	5,983	39	66,503	625,900
200 to 290.....	1,799	19	33,944	385,920
300 to 490.....	1,358	1	37,425	449,170
500 and over.....	529	1	26,380	317,990
Total.....	30,732	179	304,416	2,881,160

## STORES, ETC., 1876.

\$ 50 to \$ 100.....	1,553	119	8,754	135,250
120 to 200.....	1,051	100	9,907	190,125
225 to 500.....	1,053	89	17,778	387,350
525 to 1,000.....	527	57	16,543	384,375
1,035 to 3,000.....	290	11	19,574	474,300
3,200 and over.....	45	3	11,589	285,117
Total.....	4,519	379	84,145	1,856,517

## 1886.

\$ 50 to \$ 100.....	3,021	42	15,210	227,200
120 to 200 .....	1,454	30	12,538	239,250
225 to 500.....	1,404	16	21,821	474,525
525 to 1,000.....	528	16	17,051	399,075
1,035 to 3,000.....	256	.....	16,931	411,475
3,200 and over.....	42	.....	11,427	283,575
Total.....	6,705	104	94,978	2,035,100

## HOTELS.

	Number.		
1876 .....	271	6,872	63,300
1886 .....	420	12,180	113,400

TABLE II—*Concluded.\**

The water rate, and the rental value on which it is based, have then varied as follows from 1876 to 1886:—

1876.	Water Rate.	Tenant Value.
	\$	\$
Residences.....	264,122	2,532,110
Stores .....	84,145	1,856,517
Hotels.....	6,872	63,300
	355,139	4,451,927
1886.		
Residences.....	304,416	2,881,160
Stores .....	94,978	2,035,100
Hotels.....	12,180	113,400
	411,574	5,029,660
To deduct water rates and tenant value of Hochelaga.....	7,428	100,000
	404,146	4,929,660

Recapitulating these tables, we will find that the property assessments of Montreal and the taxes which accrue from them have been as follows:—

	1876.	1886.	Diminution.	Increase.
	\$	\$	\$	\$
Real estate valuation.....	81,208,215	74,309,637	6,898,578	.....
Rental valuation .....	4,451,927	4,929,600	.....	477,773
Real estate taxes.....	974,498	891,715	82,783	.....
Business taxes.....	209,304	198,631	10,673	.....
Water rate .....	355,139	404,146	.....	49,007

Proprietors paid \$82,723 less property taxes, therefore, in 1886 than in 1876. Merchants paid \$10,673 less business tax and personal taxes in 1886 than in 1876. Tenants alone paid in 1886 \$49,007 more water tax than in 1876.

And to arrive at these strange results it was necessary that the assessments of the city of Montreal were made in such a fashion as to establish that while the value of property had fallen in ten years by \$6,898,578—in spite of 3,600 buildings constructed during that period—the rental had risen by \$477,733.

What is above all remarkable in these assessments is that it appears that only the small rents have increased in number and in value while the large rents remained stationary, or even diminished.

The tables of pages 219, 220, 221, Que., will give the explanation of these assessments, so contrary to the interests of workingmen. It will be seen there that in six years the property valuation of one house did not vary, while the valuation of its produce, of its rent, increased by 32 per cent, and that while the landlord paid always the same property tax of \$108 for his real estate his tenants had their water rate increased from \$91 to \$109.50.

Finally, we must note this fact, which can alone explain these results—that is, that of the fifteen tenants living in this property thirteen saw their rental assessments

\* This table is made according to the official valuations of the City of Montreal. The reason of the difference between the total amount of the water taxes in tables I and II, is due to the fact that table II gives only the water taxes according to the amount of the rent, whilst table I gives the total amount of the water taxes including the special taxes imposed on water-closets, horses, &c.

raised; while two lodgings only, one of them occupied by the landlord himself, remained during six years at the same assessment.

These facts are so much the more significant because, according to the evidence (pages 265, 266, Que.), it is established that the Central Trades and Labor Council of Montreal had, in 1886, petitioned the city council to make an enquiry on the assessment of water tax, and that the council rejected this petition.

It has been proved that the city has always made the sub-tenants pay the whole water rate, while they really should have paid only a third of it (page 528, Que.). The sub-tenants in Montreal, where people like to have houses of their own, however small they may be, form a class which, less than any other, has the means of paying high taxes, and which, less than any other, has time and means to get injustice redressed.

It is also proved (pages 88, 472 and 473, Que.), that, in spite of complaints and of petitions addressed to the city council by the tenants, this system of municipal exaction is continued.

If, nevertheless, there is a tax of which the levying should be made at Montreal with care, it is the water rate. They cut off the water from the tenants who do not pay for it, and they sell their furniture, even, for the value of the water which they have not received.

If a charitable neighbor gives them a bucket of water the neighbor is liable to a fine of \$20 or a month in prison.

When the non-payment of a tax can entail ruin, and almost death by thirst, of the person liable who does not pay it, the least that the person liable can demand is that this tax be established on a just and equitable basis.

This question of water rate is one of the most important, as much from the standpoint of its distribution as from a sanitary standpoint. In no city is it so badly levied as in Montreal. At Montreal the tenants only pay the tax based upon a fanciful valuation of consumption. The landlords pay nothing, and profit gratuitously by all the advantages which the aqueduct assures to their real estate in case of fire. The watering of the streets, public fountains, the immense works executed for protection against fire, the expenses necessitated by the placing of pipes along gardens and vacant lots, have been paid and are maintained by the tenants and, it is regrettable to add, this is paid for the most part by tenants the least wealthy.

To resume, we recommend:—

1st. The establishment by the State of accident assurance.

2nd. The establishment by the State of an annuity system for old age.

3rd. The supervision by the State of mutual benefit and provident societies, etc. These societies will have, nevertheless, as in England, the power of demanding or not this supervision.

4th. The study by the State of mutual benefit questions, of help in sickness, of workingmen's insurance, etc., and the publication of tables of mortality and of sickness, based on Canadian statistics.

5th. The intervention of the State, in the absence of any society due to private initiative, in the building of workmen's houses, an intervention which can be made in the form of a redeemable subsidy; in a word, that the State—whether it is called Federal Government, or provincial or municipal—should aid in the construction of model dwellings for workmen, as up to this day it has aided the building of railways, the laying out of model farms, and even of factories belonging to private citizens.

6th. That a study be made of the distribution of municipal taxes, and that tenants may be eligible to be elected to municipal councils, in order that the interests of the tenant class may be represented and protected.

JULES HELBRONNER.

## APPENDIX D.

### REPORT OF G. BOIVIN ON THE FOLLOWING QUESTION.

Q.—Does the use of machinery cheapen production?

Yes. The greater part of the machinery in use has the effect of reducing the cost of production, of doing work better and more regularly. For example, the shoe-pegging machine will do vastly more work than a man can do, and will do it not only more cheaply but better. In a very few cases the cost of production by machinery is greater than by hand, but the rapidity of operation and superior quality of the work done warrant the additional expense.

Improved machinery and tools are the best friends of the working people, as well as of consumers. When steam machine printing presses were first introduced the pressmen believed they would be thrown out of employment. Yet printing operations, as now carried on, would be impossible without the use of machinery, and ten compositors, stereotypers, paper-makers, and other artisans, are employed where only one would find work under the old system. And so it is in many other lines of business. In most cases, if machinery were to be put aside and work done by hand it would be found impossible to meet the demand. People would be compelled to return to simpler modes of life and to dispense with many comforts and luxuries they now enjoy. The change would amount to a general calamity.

Machinery has another great advantage—that of doing the hard part of the work; and if it takes no more space than one person, and does four times as much work, it will save 75 per cent. of the room required, and so cause cheaper production.

If agricultural work were to be done as in former times it would not be possible to produce enough food for all the people, and prices would be very high.

No doubt, new inventions and further improvements will be made, and production be still further cheapened.

Q.—Has the use of machinery lowered wages?

It would be very difficult to make an exhaustive study of this matter; and I doubt that it would be possible to give a positive answer to the above question supported by clear proof.

However, it is a fact that if there were no machinery for wood-work an architect would put less decoration on a house, a furniture manufacturer would put less ornament on his furniture, and so on with other trades. Thus, the work would not be so elaborate as at present.

It may be remarked that, whether wages are or are not higher than they would be if machinery had not been introduced, it is certain that the cost of living has been greatly lessened by the use of machinery, so that the purchasing power of a day's wages is greater than ever before in the world's history.

I find, on looking over the census report for 1881, that a large number of workmen are employed in building machinery and tools of every kind, the numbers being 17,950 males, producing work valued at \$20,665,364, and employing \$16,014,186 of capital. If machinery were not in use these hands would be engaged in some other form of production.

## APPENDIX E.

### CHILD AND FEMALE LABOR.

At the time the Commission visited Ontario the law of that Province provided that boys under twelve and girls under fourteen years of age should not be employed in factories, and the Education Act of the same Province provided that children between the ages of seven and thirteen must attend school at least one hundred days in each year. In Quebec the Factory Act is substantially identical with that of Ontario, but at the time the Commission visited the Province it had not been enforced.

In New Brunswick and Nova Scotia there are no restrictions upon the employment of children in factories. In Nova Scotia the employment in mines of boys below ten years of age is not permitted, and boys between ten and twelve years of age may not be employed more than sixty hours in one week. The boys under twelve years are employed as trappers—that is, in opening and closing doors for the passage of coal cars—and this is not laborious work. Still, your Commission cannot approve of a system which permits the continuous employment of such young children, even if it could be shown that their bodily health will not suffer injury. It is very certain that children removed from schools at the age of ten cannot acquire education sufficient to fit them for the duties of life in a civilized community. The testimony taken in other Provinces disclosed a most regrettable state of affairs. Many children of tender age, some of them not more than nine years old, were employed in cotton, glass, tobacco and cigar factories, and in other places. At one place in Ontario children, certainly less than eleven years of age, were employed around dangerous machinery. Some of them worked from six o'clock in the morning till six in the evening, with less than an hour for dinner, others worked from seven in the evening till six in the morning. At Montreal boys were employed all night in the glass works. In the cotton factories the ordinary hours of labor were from 6:30 a. m. till noon, and from 12:45 till 6:15 p. m.—this for five days in the week. On Saturday the mills close at noon. Sometimes the afternoon work is continued till 7:15, without stopping for supper, and less frequently the machinery is in continuous operation from 12:45 till 9 p. m., making eight and a-quarter hours of uninterrupted work, though it is in evidence that operatives are permitted to take a little lunch while the machinery is in motion.

The testimony respecting children employed in cigar and tobacco factories was of a very painful nature. Boys and girls, not more than ten years of age, were found in these places in considerable numbers, and some witnesses not older than fourteen had finished their apprenticeship at cigar-making and were working as journeymen. The evil in these instances was accentuated by the evident fact that the tobacco had stunted the growth of the witnesses and poisoned their blood. They were undersized, sallow and listless, wholly without the bright vivacity and rosy hue of health which should animate and adorn children.

While we cannot undertake to say where the responsibility for these evils rests, whether the duty of wholly removing them falls upon the Dominion or upon the Provincial Legislature, we think the laws should be uniform throughout the Dominion; and we are firmly persuaded that the continuous employment of children under fourteen years of age should be forbidden. Such prohibition we believe essential to proper physical development and the securing of an ordinary education. Further, medical testimony proves conclusively that girls, when approaching womanhood cannot be employed at severe or long-continued work without serious danger to their health, and the evil effects may follow them throughout their lives.

The employment of children is one of the most important subjects which can commend themselves to the attention of legislative bodies.

J. ALFRED CLARK.

## APPENDIX F.

## HOURS OF LABOR.

The rule for mechanics and others having regular employment in Canada is that ten hours constitute the working day; but there are many exceptions to this rule. In Ontario the exceptions are, almost invariably, in the direction of shorter hours; in Nova Scotia and New Brunswick ten hours are seldom exceeded; in the Province of Quebec much evidence of long-continued labor came before the Commission. This is to be the more deplored in cases where children, especially very young children, are employed. At some cotton mills, in which children not exceeding nine years of age are employed, the work is frequently continuous from 6:30 in the morning till noon, and from 12:45 till 7:30 in the afternoon, making thirteen hours of work, with only one intermission of three-quarters of an hour, and having an uninterrupted stretch of nearly seven hours. On rare occasions the machinery is kept in operation from 12:45 p.m. till 9 o'clock, without stopping, although some opportunity is given the operatives to snatch a bite of supper. In nearly all cities throughout the Dominion conductors and drivers on street railway cars are required to work very long hours. Some of them are employed from 6 o'clock in the morning till 10 o'clock at night, though they are actually on the cars not more than twelve hours in a day. The best retail shops of dry goods merchants in all cities are open only from 8 o'clock a.m. till 6 o'clock p.m.; but in many others the hours are very long, both for clerks and for other employes. At some shops in Montreal the clerks are employed from 5:30 a.m. till 10 or even 11 o'clock at night. Dressmakers and milliners are kept, during busy seasons, till even later hours. In October, November and December they are, in some places, kept at work from 8 in the morning till midnight, and on Saturday nights till far into the hours of Sunday morning. Children in the millinery rooms are at work from 6 in the morning till 9 at night, with brief intervals for meals. While it is very much to be regretted that attention must be called to these discreditable facts, there are many instances in which the hours of labor have been shortened. In a number of trades nine hours constitute a working day; and such change as can be observed is in the direction of shorter hours. Many employers give their hands an hour or two on Saturday, and not a few close on Saturday at noon.

It is very evident that the substitution of machine work for hand labor greatly increases production. The beneficial results are: a greater supply of necessities, comforts and luxuries; a lowering of prices, and a shortening of the hours of labor.

Almost the universal opinion among workingmen is, that the shortening of the hours of labor benefits working people, and it cannot be doubted that good use will be made of leisure time wrung from the working day. At all events, the patriarchal age has passed away, and however weighty other arguments in favor of long hours may be, it cannot be conceived to be the duty of either Legislatures or employers to prolong the hours of toil lest operatives should fail to make proper use of their leisure moments.

It will not do to make the bald assertion that a man can accomplish more in a short day than in a long day; but the opinion of the most intelligent witnesses examined was that the man whose daily task is easily within his strength will accomplish more in a series of years than he whose energies are overtaken by excessive hours or severe toil. Many witnesses were firmly persuaded that the over-wearied laborer is more inclined to seek renewal of energy in intoxicating liquor than the man who quits work before his energies are exhausted.

It is unnecessary to direct special attention to every instance of long hours of labor brought before the Commission; but reference may be made to illustrative cases. Firemen in Montreal are compelled to remain on duty almost without relief. Each man receives permission to absent himself from the engine-house only once a week, and then he may be absent only four hours. Surely the necessities of the department are not so great as to compel a man to separate himself from his family for 164 out of each 168 hours.

Longshoremen at Montreal are sometimes kept at continuous work for periods almost beyond belief. It is the practice to keep one gang of men at work until the unloading of a vessel is completed. One witness had worked thirty-five hours at a stretch, stopping only for meals; one had worked forty hours, and another had worked two stretches of thirty hours each in one week. It is in evidence that these cases are not at all unusual. It must not be forgotten that the labor of longshoremen is very severe, and that the work is pushed with all possible expedition.

Coal shovelers are also sometimes kept employed for excessively long periods. One witness who testified had been on duty for thirty-six hours. Out of these, he had taken time for meals, leaving thirty hours of actual occupation at very laborious work.

Particular attention may be called to the experience of a firm of tobacco manufacturers at Hamilton in shortening hours of work. They first made a reduction from ten hours to nine and a-half, and then to nine hours per day. They found that there was no reduction of output; and the experience has proved profitable to the employers as well as to the employées.

On this subject some valuable information will be found in a paper by Charles Grad, a Deputy in the German Reichstag, in the *Revue des Deux Mondes* for November, 1887, page 132. M. Grad says: "According to the testimony of the president of the Corporation of Miners in Germany, the workmen in mines attained their maximum production with eight hours of effective work. A temporary prolongation in autumn, for example, increased the output during three or four weeks; after this period the production returned to its normal measure, remaining the same for ten hours of occupation as for the period of eight hours. The proprietor of the glass-works of Gerresheim, near Dusseldorf, M. Heye, having reduced from ten and eleven hours to eight hours the work of his men, there was soon produced as much in the shortened day as in the longer day. In the textile industry the manufacturers who have reduced the day of work from twelve to eleven hours in times of crisis, so as not to increase too much their stocks of manufactured goods, have attained in a short time the same production in eleven hours as in twelve. In Alsace we discover similar facts, and we find others in the industrial monographs of Plener, of Knorr and of Brentano. After the passing of the English Factory Act the day of work for children from eight to thirteen years was reduced to six hours and a-half; while boys from thirteen to eighteen, and women occupied in these manufactures, were forbidden to work more than twelve hours. Employers and workmen are in full accord, and have agreed to reduce the hours of effective labor to ten—less than the maximum authorized in English territory. Better still, I have observed at Manchester—the humid climate of the district assisting it is true—in the cotton industry, a production greater in quantity with fifty-six hours per week than at Mulhouse with seventy-two hours, on the same machines. In many industrial centres the workmen have more than one league to go from their homes to the factories. Intelligent employers, capable and desirous of giving an exact account of the conditions of work in their factories, recognize that the productivity of their hands does not increase in proportion to the duration of work, when this period is prolonged beyond measure."

A. T. FREED.

## APPENDIX G.

### THE EMPLOYERS' LIABILITY ACT.

In studying the operations of this Act the most particular matter regarding it is the close affinity it appears to have to relief associations of one kind and another, and more singular still is it that in England where it originated, a great many had thrown off their allegiance to it almost before they knew anything of its nature. It is also singular that the different States of Europe, though not having an Act the same as ours in the letter, still have the spirit of it permeating all their laws upon the subject of labor, and it is also remarkable that relief associations have been taken up by many of these instead of the law.

#### ENGLAND.

Although England has taken the first step towards placing on record a practical Act on the liability of employers to their employés, and setting forth the right of employés to demand compensation in case of accident, and although the working of the Act has been deemed successful in the main, yet many have clamored about some of its provisions. As yet we have nothing to supersede it.

On account of the fault-finding that arose, and willing that any faults which were apparent in the Act might be remedied, a special commission was appointed to investigate the matter, to take evidence and make every effort to get at the true state of things, in order that any existing evils might be remedied.

This commission was formed on the 16th of March, 1886, and continued its sittings from time to time and reported up the Bill on the 11th June, 1886, without amendment.

The following petitions against the Bill were referred to the committee:—

1. The employés of the London, Brighton and South Coast Railway Company.
2. Steamship Owners' Association.
3. Association of Trade Protection Societies.
4. Employés of London and North-Western Railway Company.
5. Householders and Ratepayers of London.
6. Clyde Ship-builders and Engineers' Association.
7. Nottingham and Midland Merchants and Traders' Association.

A special committee, to whom the Employers' Liability Act was referred, reported the same without amendment.

That committee was composed as follows:—

Sir Thomas Brassey, Chairman.

Sir Richard Webster  
Mr. Bradlaugh,  
Mr. Ainslie,  
Sir Joseph Pease,  
Capt. Verny,  
Mr. Tomlinson,  
Mr. Forwood.

Mr. Arthur O'Connor,  
Sir Edward Reed,  
Mr. Kingley,  
Col. Blundell,  
Mr. Sutherland,  
Mr. Nolan.

Dated the 11th June, 1886.

As no Act was ever perfect, this one was no exception. The Act, at first, was hailed with joy, and a new order of things was established. It may be that too much was expected from it, for in a short time complaints began to be made that employers were slow in carrying out obligations imposed on them by the law when accidents occurred, and offers were made by employers that if the men gave up their right of action under the law employers, if a proper association was formed, would subscribe liberally towards it, and that these funds would always be available for the settlement of all claims preferred to meet all cases of accident. The employers prevailed, and a permanent relief association was formed, in which the men had the controlling power, as it was managed by a committee of workmen, and the employer had the right to be present at their annual meetings, either by himself or his agent. This association works very well, as all legitimate claims are promptly met; a better feeling exists between the employers and their workmen, and as a consequence the employers subscribe freely. The amount for which they are liable is 25 per cent., but many of them pay a great deal more.

Conditions of Permanent Relief Association:—

1. Payment by the masters for the proportion of accidents for which they are liable.
2. The payments by the men to provide for the accidents which they ought to hold themselves liable for.
3. The payments by both masters and men for accidents for which neither scientific nor practical men can account.

Whilst these societies are effectively working in some districts, the Liability Act is still successfully being carried out in others.

The tables of those Associations are very interesting, but as it is not necessary to quote them here.

It is a fact worthy of note that accidents of a serious nature, under the present order of things, are not as frequent as they were before.

The following Circular was addressed by Lord Roseberry to Her Majesty's representatives at Paris, Berlin, Vienna, Rome, Brussels, the Hague, Berne, Stockholm and Washington. The answers are those given by the Ambassador to France:—

“FOREIGN OFFICE, 30th March, 1886.

“MY LORD (OR SIR)—Questions relating to the liability of employers to compensate workmen injured in their service, are likely again to come before Parliament, and I have therefore to request a report on the state of the law upon this subject.

“I am anxious that the report should give a full account of the provisions of the existing law, and should state whether or not it depends upon special legislation; if so, to what extent, and since what time that legislation has been in force, and should notice any intended or probable alterations.”

“The following are points of particular importance:—

“Q. Is the employer limited to any particular classes of employment or classes of workmen, and if so, to what classes? A. There are no classes among workmen.

“Q. In what cases does the fact that an injury arose from the act of a fellow workman relieve the employer from liability? A. The responsibility of employer is never absolutely relieved.

“Q. Does it make any difference if the fellow-workman was in authority over the workman injured, or in a position of authority in the employer's business generally? A. It makes no difference if the injured workman was under authority of a fellow-workman or in a position of superior authority.

“Q. Is there any difference between the employer's responsibility for the condition of machinery, plant and permanent appliances of the work and for specific acts or defaults of workmen? A. Responsibility of employer is the same, whether by machinery or the acts or defaults of workmen accidents are caused.

“Q. Is the workman injured required, as a condition of being entitled to compensation from the employer, to give any notice of the facts, or of his claim? A. It is

not a condition that he should. If the employer makes no offer he is summoned before a judge, and he fixes the sum.

"Q. Are employers and workmen allowed to contract themselves out of the whole or any part of the provisions of the law on the subject? A. Either are allowed to make such contracts, as they please; but the judge can annul such contracts if they are prejudicial to either party.

"Q. Generally, is the right to compensation treated as arising out of the contract between the employer and the workmen, or as independent of it? A. The right of compensation exists in virtue of the law.

"Q. How far does a system of insurance by workmen themselves against accident prevail, compulsory or otherwise? A. It is to be regretted that the system of insurance by workmen themselves does not prevail, or is not general, in France. There are some.

"Q. In what proportion do employers and employed, respectively, contribute, voluntarily or otherwise, to insurance funds? A. No fixed sums. It varies from 1 per cent. to 5 per cent. The employers yearly set aside a sum as a subvention to the workmen's insurance fund.

"Q. To what extent do the employers reduce their liability by contributing to the insurance funds? A. The employer cannot reduce his responsibility for any fixed sum. He may be proceeded against for the balance.

"Q. Is the liability of ship-owners for injuries suffered by sailors in their employment governed by the general law of the liability of employers? A. Responsibility same as other employers, subject to the common law.

"Q. If special legal provisions exist in the case of shipping, what are the provisions? A. No special provisions for responsibility of employers.

"Q. Is the shipowners' liability limited to French sailors, or does it extend to those of other nationalities in his employment? A. Responsibility the same for the sailors of all nationalities."

Responsibility of employers has long existed, for it is provided in the codes of all civilized nations that whoever, by imprudence or negligence, causes injury to other persons, through himself or by or through his agents or employés, is responsible in all codes of civil and criminal procedure, and must make compensation for the same. Such compensation should not be treated as arising out of any contract between employer and employed, but rather as a right of a public character, arising out of a public obligation of the employer to compensate workmen injured in his service.

Accidents divide themselves into four classes :—

1. Those caused by defective machinery, or by acts which attach liability to the employer.
2. Those caused or contributed to by the workman himself.
3. Those which were brought about by his fellow-workmen, and which are of such a nature as to render the master liable.
4. The mysterious, inscrutable, terrible disasters, the discovery of whose cause baffles human ingenuity, and which are described as the act of God.

It is decided by jurists that even with the extension of the law brought about by the Employers' Liability Act the workman must continue to make provision himself against the accidents included in these classes, and the only way in which he can do that is by entering into an arrangement with his fellow-workmen on some basis of insurance.

To the good will this arrangement has engendered, hundreds of widows and orphans are indebted for their daily bread—not the bread of charity, but of a clear-headed appreciation of the dangers which men must every day run in following their daily avocations, particularly those engaged in mining, on railways or wherever machinery is used.

Although so many benefit societies have been formed, and although so many have received benefit and relief from them, yet your Commission consider it a dangerous principle to establish, that in order to obtain benefit from any benefit society you should be obliged to ignore the law of the land, particularly a law such as the Employers' Liability Act, which had been declared by the special committee who examined it in all its bearings to be a law that was a benefit to the working man, and at the same time inflicted no injustice upon the employer.

It may be possible that from all the correspondence from the different courts of Europe that a more perfect law may be provided—a law, if possible, that will meet the requirements of the age.

#### FRANCE.

In this country all questions of liability are regulated by the common law.

The law in cases of this kind is formulated in the following articles of the Civil Code:—

1. Any action whatever of a man, which causes injury to another, obliges the person by whose fault the injury occurred to repair it.
2. Every person is responsible for the injury he has caused, not only by his action, but by his negligence and imprudence.
3. A man is responsible not only for the injury he has caused by his own action, but also for that which is caused by the action of those for whom he is responsible, or of things in his charge.

This law is founded upon the Napoleonic Code, which dates from 1804, and, as will be seen, is what most of the laws of European nations are founded upon.

The great drawback of this law is the delay and expense in settling claims, but this fault is found in almost every case where the law is called upon for settlement. However, a law was passed 22nd January, 1851, which gives parties in indigence redress in a shorter time, and furnishes counsel gratis, and all steps of legal procedure free of charge.

The French Parliament adopted, in the month of May, 1888, a "Law concerning the responsibility for Accidents of which workmen are victims in their work," based upon the principle of the employers absolute responsibility, a consequence following on what has been called professional risks.

One of the speakers on the side of the law thus defines professional risks:—

"For to-day what is of importance to me is that we are in presence of a state of fact which commands imperatively a new legislation; the workingman, by the very necessities of his work, is exposed to constant chances inevitable from accidents; the employer, no matter what may be his forethought, cannot hinder these accidents from happening more or less frequently.

"Behold the fact, there is the point of natural departure in the discussion. What conclusions must be drawn from it?"

"It is that the workingman, without calling in question the culpability of anyone, is in face of a continual risk, inherent, in fact, even in industry and in the normal conditions of work.

"This is the risk which people have called professional risk.

"What, then, is the professional risk? It is a risk inherent in the very fact of the industrial profession, and what is the consequence of this principle once laid down? It is that while such a risk exists it creates for him who is exposed to it a right to an indemnity when he is the victim of it."

The whole law is summed up, as far as its spirit, in Article 1:—

Article 1. Every accident, which has occurred in their work, to workmen and employers, gives a right to profit to victim or his heirs by an indemnity, of which the importance and nature are determined below.

Those only are admitted up to the present to benefit by this disposition, workmen or employés occupied on account of the State, of departments of communes, or of public establishments, in mills, factories, manufactures, dock-yards, or public works transport, loading and unloading, public stores, mines, mining, quarries, underground work, and besides—1. In every labor in which explosives are produced or used. 2. In every work industrial, farm, or forest, in which use is made of machinery or steam engines or any other machine worked by an elementary force.

The indemnity is at the cost of the chief of the enterprise, whatever may have been the cause of the accident.

Nevertheless, no indemnity will be due to the victim who may have acted with a criminal intent.

The indemnities accorded by the law are:—

1st. In case of permanent, absolute incapacity to work, an annual pension, which cannot be lower than a third of the victim's salary, nor higher than two-thirds. In any case it cannot be less than \$80 a year for men and \$50 for woman, Temporary incapacity for work entails reduced pensions.

2nd. In case of death—1st. Twenty times the daily salary of the victim, on account of funeral expenses. 2nd. A yearly income from the profits to the heirs, setting out from the day of decease.

A. For the widow, up to her death or up to her contracting a new marriage, a yearly income equal to 20 per cent. of the mean annual salary.

B. For the children, the yearly income varies from 15 to 50 per cent. of the salary, according to the number and condition of the children, the annual income is payable only up to fourteen years completed.

If it is the mother who is killed, the husband, if there are children less than fourteen years, receives an indemnity equal to two years' salary.

C. During the continuation of illness caused by accident the employer must pay the costs of doctor and medicines, and an indemnity equal to half the wages; the maximum of this indemnity is 50 cents a day, and the minimum 20 cents.

Employers can free themselves from obligations regarding sickness, whether by forming private savings banks for help or by affiliating their workmen at their own expense to mutual banks of help, guaranteeing the indemnities provided by law.

Employers can also form among themselves syndicates, with the effect of constituting mutual assurance against the risks provided for by the present law.

They can equally assure themselves against these risks at the State "Caisse d'assurance" against accidents, by means of a premium, which varies from \$1.20 to \$4.80 per \$200 of salary according to the classification of the industries.

For the women the premium is reduced by 20 per cent. and a reduction of 25 per cent. upon premiums is moreover accorded to manufacturers who will furnish a certificate, delivered by a State engineer, declaring that they have taken all the measures recognized as proper to prevent accidents.

If the accident entails the penal condemnation of the employer the victim or his heirs have then a right, but in this case only, to an indemnity, to be fixed by the courts.

#### GERMANY.

The law of 6th July, 1884, which has been in force since 1st October, 1885, imposes on the employer the obligations:—

1. To compensate workmen injured in his service.
2. To pay pensions to widows of workmen killed in his service.
3. To maintain the children of workmen killed in his service until they have reached a specified age.

And as to responsibility for accidents, there is no difference between the liability of employers for the condition of machinery, plant and permanent appliances of the work, and their liability for specific acts of their workmen.

The effect of the passage of this law has been that employers, for their own protection and in order to spread their risks over as large an area as possible, have been grouped together in trade associations.

The different groups are formed by those having equal risks, those owning mines forming one, those having factories another, and so on.

The rules of these trade associations must be sanctioned by the Government.

The funds are raised yearly from all employers within their respective districts in proportion to the wages paid by each employer.

Employers contribute 90 per cent. and men contribute 10 per cent.

Some employers pay the whole premium.

This has worked, so far, successfully, and men say they are better satisfied to pay 10 per cent. and have their claims settled without any difficulty than have any litigation with their employers, as it, in most cases, engenders bad feeling.

The greatest harmony now prevails, and accidents are of less frequent occurrence, as the employers and foremen are more careful than ever. But the men say they may thank the Act for the change. Compensation for injuries in all cases of accident is paid out of the funds of the trade association, but whatever amount is paid out must be made good by the employer or firm in which the disaster occurred.

There are sixty-two of these trade unions throughout Germany at the present time.

#### ITALY.

A law was passed 9th May, 1883, relating to liability of employers to compensate workmen injured in their service, and provides that owners, engineers, architects of mines, railways, buildings, &c., are primarily responsible for damages to the persons or health of their workmen, occasioned by all kinds of accidents, unless caused through the sole negligence of the workman, by pure misadventure or by unavoidable circumstances.

The law of April, 1886, goes farther, and includes contractors and workers on railways, the owners of rural or suburban districts, in which new work or repairs are made, and the contractors or workers of the same. The owners or workers of mines, quarries or foundries, and the engineers and architects who direct the work, are always materially responsible (and through them the employers) for injury to the bodies or health of their workmen, caused by accidents on the railroads, by the total or partial destruction of buildings, by earth-slips, excavations, explosions or any similar misfortune, unless caused as stated above.

The Workman's National Insurance provides as follows—this is the principal one in the country:—

1. In case of death of person injured no less than seven times the yearly wages, if the workman leaves parents, and a wife with three or not less than three children.
2. Six times the yearly wages if he leaves a family, as above, of three or less than three children, and no parents.
3. Five times the yearly wages if he leaves a wife, with more than three children under age, or only more than three children.
4. Four times the yearly wages if he leaves three or less than three with or without a wife.
5. Three times the yearly wages if he only leaves a wife, without children, and parents.
6. Twice the yearly wages if he leaves only a wife without children or parents.

#### AUSTRIA.

The common law is particularly the one under which all claims to accidents are adjudicated upon, and the employer is only held responsible when he is personally the cause. In case of accident through his agent or employé he is only held responsible when it can be proved he has not taken proper care in the selection of such person, and often gets clear on a plea of error of judgment. As the common law is often both dilatory and expensive, it is not resorted to very much.

In 1883 Austria was divided into districts, each under an inspector, whose duty it is to see that employers adopt proper precautions for protection of life and limb, as well as the health of their employés.

In most districts of Austria insurance companies prevail, and, with few exceptions, the premiums were borne by employers alone. The benefit arising from these insurances are as follows: if a workman is injured he receives 60 per cent. of his annual wages; if only partially incapacitated he receives 50 per cent. In case of death his widow receives 20 per cent., each legitimate child 15 per cent., or if the child is entirely an orphan 20 per cent.; each illegitimate child 10 per cent., but the total percentage must not be more than 50 per cent., no matter how large the family may be.

In case the accident was intentionally incurred there is nothing, unless in case of death; then one-third is given to his heirs. Every workman is understood to belong to or be insured in this scheme, and none are allowed to contract outside of it, unless with the consent of the communal authorities. Provisions are made by law for enforcing the conditions of these societies, and also on the heads of industrial establishments, to which various fines and penalties are attached.

A special law was passed on 5th March, 1869, in relation to railways, and in case of accidents holds the employer liable for compensation, unless he can show that the injury was caused by neglect.

#### SWITZERLAND.

In this country there is a Factory Act, dated 23rd March, 1877, which has established the principle of the liability of employers of labor in the sense of that Act. The law consists of sixteen articles, of which five only relate to liability.

Following are the answers to the points of particular importance;

Q. Is the employer's liability limited to any particular class of employment or class of workmen, and if so, what classes? A. Yes; the liability is limited to those classes that are subject to the provisions of the Factory Act of 23rd March, 1877.

Article 1st says: Every industrial establishment is considered a factory, and as such subject to the provisions of the present law, where a number of workpeople are occupied regularly and at the same time inclosed rooms outside their own dwelling.

Q. In what cases does the fact that an injury arose from the act of a fellow-workman relieve the employer? A. In no case.

Q. Does it make any difference if the fellow-workman was in authority over the workman injured or in a position of authority generally in the employer's business? A. It makes no difference whatever.

A commission chosen to report and to amend the law relating to the liability of employers accepted, 13th May, 1886, the following five propositions, submitted by Monsieur Droz, Federal Councillor:—

1. Extension of the liability to a number of other dangerous industries.
2. Obligation of employer to give notice to the authorities in case of accident.
3. Obligation for the employer to give such notice, also, in case of compromise with workmen.
4. Right of intervention on the part of the Government for the purpose of protecting the interests of workmen, if the compensation arising out of a compromise is deemed insufficient.
5. Gratuitous advice to impecunious workmen, or their heirs, in case of accident.

#### BELGIUM.

The common law is the only one by which damages in case of accident can be recovered, and is founded on the Civil Code, the same as the law in France. Insurance societies prevail and are largely patronized, but their conditions are not given.

## NETHERLANDS.

The same as France—common law, founded on the Civil Code. There is one special law, however, in relation to liability of employers in the matter of their workmen, that in case of intentional or unpremeditated homicide, the wife, the children or the parents, have a legal claim for a compensation, which shall be estimated according to the status and means of both parties. In the case of mutilating or wounding, either intentional or premeditated, it confers upon the wounded person the right of compensation.

## LIABILITY ACT IN ONTARIO.

In the Province of Ontario an Act entitled, "Workingmen's Compensation for Injuries Act" was passed, and is now in full force. The evidence bearing upon its effects so far as collected is not very extensive; but so far it is shown to be effective in its results.

On page 74 of the Ontario evidence, *in re* employers' liability, Archibald Blue, Assistant Commissioner of Agriculture and Secretary of the Bureau of Industry, says:—

"The accidents caused for which claims are made under this Act are of the nature shown in my report, page 62, and are attributed to the practice of putting young boys without experience and men of little or no former training to the running or working of dangerous machines. In many instances these machines are not properly guarded, also for want of proper care in the matter of gearing machines. Hatches, hoists and elevators come under the same category. A great many young men come from the country, and think because they have had something to do with running agricultural machines, they have sufficient experience to warrant their undertaking the running and setting up of the more complicated machines in factories, moulding and planing mills, machine shops and others. The result is that serious accidents often occur."

Frederick Nichols, Secretary Canadian Manufacturing Association, page 181:—

"Q. Do you know anything about Ontario Employer's Liability Act? Is it satisfactory? A. If a man is injured his remedy is at hand. The employers think it a step in the right direction in affording them increased protection, because they are insuring their men at their own expense—I mean at the expense of the employers.

"Q. Would the employers exact an agreement from their men that they should have no claim against them? A. Certainly not.

"Q. Take the case of railway accidents? A. The company is liable.

"Q. Take the case of machinery turning out defective? A. That would have to go to the courts.

"Q. In the case of the Grand Trunk? A. The Grand Trunk were exempt from the Act because they had a benefit insurance."

Thomas Webb (page 269) complains of the negligence of employers in the erection of proper scaffolding, and frequent accidents and loss of life from such neglect.

Conductor, Grand Trunk Railway (pages 513 to 519), complains that the employes cannot take advantage of the Act on account of exemption of Grand Trunk Railway from its provisions by the Ontario Government. He also complains about danger of couplings, running-boards, bell-cords, and being obliged to sign contracts outside of Act, on the plea of being secured by insurance, to which the men are obliged to contribute, and that the company are sole managers, and that men will not be taken upon permanent staff or get promotion unless they sign such contract.

Conductor, Michigan Central Railway. (*See* evidence, pages 525 to 575).

C. A. Passmore, painter, decorator, &c., London (page 684): "I consider the Liability Act is a great benefit both to employers and employes. It makes them more careful, particularly in matter of scaffolding.

James Stevenson, moulder, Hamilton (page 797), regards the Ontario Liability

Act as a benefit, but would like a Dominion Act of a similar nature. He objects to children working at the trade, as it is too laborious for them, many of them being under fourteen years of age, and thinks this very wrong.

The importation of children into this country is wrong: 1st. Some of them are treated no better than slaves. 2nd. There are plenty of children of our own, and we often experience difficulty in placing them.

Thomas Towers, Hamilton (page 870), handed in a declaration, Knights of Labor, which see in evidence.

The quotations made will give a fair outline of how the Employers' Liability Act is thought of in its operation.

#### UNITED STATES.

In answer to the circular of Lord Roseberry, addressed to the Government of this country as late as 1886, it was stated that no Liability Act was in force; that the common law was the only law, and that it holds the employer liable to his employé in case of accident only in two instances, viz.:—

1. When he has directly interfered in the act which caused the injury.
2. When, by his negligence or otherwise, he has employed incompetent workmen.

In some cases tried this proved to be only an error of judgment, and the employer got clear of any responsibility.

However, many of the States of the Union had Acts passed before this time, some of which enunciated a forward position with regard to liability of employers for compensation to employés for accidents happening in their employ.

For the past half century a great many changes have been made in the laws bearing upon the liability of employers to their employés. Notably is this the case in England and United States. The result of these changes in England from time to time culminated in the passing of the Employer's Liability Act of 1880. (*See Statute*).

In 1841 it was decided in the case of *Murray vs. South Carolina Railway Company* that they were not liable to one servant injured through the negligence of another servant. This decision elicited a great deal of comment, and in the case of *Farwell vs. Boston and Worcester Railroad Company* the same decision was made, and was followed in nearly every jurisdiction, both State and Federal.

Statutes have been passed, however, by several States, with the special purpose of modifying or abolishing the doctrine of common employment.

In Georgia, Iowa, Kansas, Wisconsin, Montana and Wyoming the Legislatures have guarded the employés of railroad corporations from the common law rule of non-liability. In England, Alabama and Massachusetts the statutory changes have been more extensive, and are confined to no special class of workmen.

The provisions of the present Code of Georgia, as amended in 1856, relating to employers' liability, are the following:—

"Section 2083. Railroad companies are common carriers, and liable as such. As such companies have many employés who possibly cannot control those who should exercise care and diligence in the running of trains, such companies shall be liable to such employés as to passengers, for injuries arising from the want of such care and diligence."

Section 3036 says: "If the person injured is himself an employé of the (railroad) company, and the damage was caused by another employé, and without fault or negligence on the part of the person injured, his employment by the company shall be no bar to recovery."

Section 2202 says: "The principal is not liable to one agent for injuries arising from the negligence or misconduct of other agents about the same business."

The next State to alter the law was Iowa, and the new legislation was incorporated into the Code of 1880, where it now stands in the following form, in Vol. I and Section 1307:—

"Every corporation operating a railway shall be liable for all damages sustained by any person, including employ  s of such corporation, in consequence of the neglect of agents, or by any mismanagement of the engineers or other employ  s of the corporation, and in consequence of the wilful wrongs, whether of commission or omission, of such agents, engineers or other employ  s, when such wrongs are in any manner connected with the use and operation of any railway on or about which they shall be employed, and no contract which restricts such liability shall be legal or binding."

In Kansas the first attempts to modify the law was made in 1874, by the passage of an Act, which Act was incorporated into the Civil Code, and now reads as follows:—

"Every railroad company organized or doing business in this State shall be liable for all damages done to any employ   of such company in consequence of any negligence of its agents, or by any mismanagement of its engineers or other employ  s, to any person sustaining such damage." (Compiled laws of Kansas, 1885, Section 5204).

This law was assailed as unconstitutional, but when the case of *Missouri Pacific Railway Company vs. Haley* was brought to test its validity, not only was the Act declared constitutional, but a contract in contravention of it has been held void. (*Kansas Railway Company vs. Percy* 29 Ks. 169).

Wisconsin, up to 1875, held on by the common law rule of employers' liability.

In that year a statute (Laws of 1875, chap. 173) was passed, making railway companies liable for injury to servants.

Wisconsin presents the curious example of a State which had attempted to change the doctrine of common employment by statutory provisions, and then abandoning the attempt went back to the old doctrine. The above statute was repealed in 1880, and to-day the common law rule has no restrictions placed upon it by legislation.

The next step in the history of legislation is an important one. The hardness of the rule of non-liability of employers increased rather than diminished by the constant accumulation of decisions, and led to an extensive agitation of the question in England, in which the workingmen's association took a prominent part. In 1877 the attention of Parliament was called to the subject, but it was not till 1880 that the *Employer's Liability Act* was finally passed (43 and 44 Vic., chap. 42).

Alabama was the first of the American States to follow the example of Great Britain in passing an *Employers' Liability Act*. On 12th February, 1885, the Legislature passed an Act entitled, "An Act to define the Liabilities of Employers of Workmen for injuries received by the workman while in the service of the Employer."

This Act was elaborated somewhat for the new Code of 1887, where it now stands as follows (section 2590): "When a personal injury is received by a servant or employ   in the service or business of the master or employer, the master or employer is liable to answer in damages to such servant or employ  , as if he were a stranger, and not engaged in such service or employment in the cases following:—

"1. When the injury is caused by reason of any defect in the condition of the ways, works, machinery or plant connected with or used in the business of the master or employer.

"2. When the injury is caused by reason of the negligence of any person in the service or employment of the master or employer, who has any superintendence entrusted to him, whilst in the exercise of such superintendence.

"3. When such injury is caused by the negligence of any one in the service or employment of the master or employer, to whose orders or directions the servant or employ   at the time of the injury was bound to conform, and did conform, if such injuries resulted from his having so conformed.

"4. When such injury is caused by reason of the act or omission of any person in the service or employment of the master or employer, done or made in obedience to the rules, and regulations, or by-laws of the master or employer, or in obedience to particular instructions given by any person delegated with the authority of the master or employer in that behalf.

"5. When such injury is caused by reason of the negligence of any person in the service or employment of the master or employer who has the charge or control of any signal, points, locomotive, engine, switch, car or train upon a railway, or any part of the track of a railway."

Massachusetts, after an agitation of several years, passed an Employers' Liability Act in 1887. It resembles in its provisions the Acts of Alabama and Great Britain, but goes still further than the other State, and is in the nature of the English Act, in making restriction as regards the amount of compensation in case of death or disability.

There is one of the clauses, however, that relates to employers letting sub-contracts, that is of special interest. It is as follows: "An employer is made liable to employes of a contractor or sub-contractor injured by reason of any defect in the condition of the ways, works, machinery or plant, if they are the property of the employer or furnished by him, and if such defect arose or had not been discovered or remedied, through the negligence of the employer or of some person entrusted by him with the duty of seeing that they were in proper condition." There is also another clause, where it goes farther than either Alabama or Great Britain, and which will prevent private contracts from virtually repealing the statutory provisions. It is provided that no person or corporation shall, by a special contract with persons in his or its employ, exempt himself or itself from any liability which he or it might otherwise be under to such persons for injuries suffered by them in their employment, and which result from the employer's own negligence, or from the negligence of other persons in his or its employ.

The many and great alterations in the laws of all civilized countries have tended to place the relations of employers and employes upon an equitable basis, for we have the authority of that great political economist, Sir Thomas Brassey, who was chairman of the Select Committee appointed by the Imperial Government to enquire into and report upon the working of the Employers' Liability Act of 1880, for saying that while it benefited the workingman it did no injustice to the employer.

Indeed, it seems but a question of time when the old harshness of the law in regard to the employes will be done away with. The tendency of the American law is to interpret the doctrine of common employment more liberally in their favor. Great Britain and Massachusetts, jurisdictions in which their rights were restricted, have modified the law to their advantage. Below these surface indications is the trend of public opinion, not supporting capital at the expense of labor, nor labor at the expense of capital, but favoring a more equitable distribution of the responsibility which must fall upon the one or the other whenever labor is injured in the employ of capital. Calmly reviewing the great and beneficial change that has taken place of late years in the relation of labor to capital, particularly in the direction of liability of employers to compensate workmen injured in their service, it seems but the outcome of the advance of civilization. It appears to have advanced as education has progressed. The workmen of to-day have taken advantage of the opportunity which education offers in fitting themselves for a higher sphere, both in the workshop and in the social and economic progress of the State, and are therefore entitled to be relieved from the barbarous exactions of former times. The employers themselves must acknowledge this truth, for both in the press and on the platform of to-day we find workingmen filling creditable positions, and in the discussion of practical and economic questions they are the peers of those whom circumstances have made their masters.

**NOTE.**—But the master or employer is not held liable under this section if the servant or employé know of the defect or negligence causing the injury, and did not report it to the master, employer or agent in proper time to have it remedied, so as to avoid any accident. This proviso is very far reaching in its provisions.

Although the Liability Act of Great Britain in 1880 was a great practical advance in legislation, still we find its scope amplified by other countries.

We would, therefore, urge upon the authorities of this great Dominion, this Canada of ours, that whatever is wanting in the way of legislation to bring us into the front rank should be seen to at once, and if any existing laws are capable of greater amplification in the general interest we feel that the Government of this country has both the will and the power perform the service.

Legislation, to be useful, must be effective in its results, and in order to be effective it must have for its aim the interest of those for whose benefit it was brought into existence; but it must also be of such a nature as not to inflict injustice upon any.

These considerations were brought very forcibly before your Commission in the collection of evidence necessary to understand intelligently the position of labor in this country in its relation to capital.

If any Act is passed for the welfare of the working classes, although comprehensive in its provisions, yet if it is not fully carried out, it is inoperative, and is an injustice to those whose condition it aimed at remedying.

1st. We refer to the Employers' Liability Act.

2nd. Then we have the Factory Acts, which are also inoperative, because not fully carried out—therefore an injury; for again and again we have seen where their provisions were either set at defiance or disregarded altogether.

In the first case we find powerful corporations making their employes sign contracts binding them in such way as to prevent them resorting to the provisions of the law in case of accidents, or their representatives in case of death or disability, on the plea of securing them by an insurance scheme of their own, and over which they (the employers) have the controlling power, which scheme is mostly supported by the contributions of their employes.

In the other case we find children of tender age wearing away their young lives for a mere pittance in cotton factories, in tobacco factories, in the manufacture of cigars, and in various other unhealthy employments, that are not calculated to benefit them either socially, morally, physically or even pecuniarily; whose growth is so stunted from impure air that, even if they survive to reach the age of puberty, their progeny in the next generation must be a tax upon the State, and not the stalwart, robust race which our climate, as well as our opportunities, is so calculated to bring forth.

Both the Acts mentioned have been passed in the general interest, for although they are supposed to be in the particular interest of those who are bound to labor, you cannot benefit the laborer or workman without benefiting the employer; for the workman, when he finds himself under no disability, has double the vim and energy, and is able to perform his work with credit to himself and with benefit to his employer. The general feeling prevails that if these Acts were under Federal, instead of Provincial Governments the provisions would be more beneficially carried out. In claiming special Acts for the protection of laboring classes, the employer too often thinks that only the interest of the employé is sought. This is an error, for when the employé is safe the employer is protected also. A great deal has been said about legislation of a special nature ruining employers. There is little fear of that, for employes know that whatever injures capital also injures labor. A great fear is that as human nature is generally selfish, considerations of a pecuniary nature will cause the hiring of inexperienced hands, particularly the younger ones. Whilst in making laws the interest of all should be kept in view, you may depend that however stringent or however favorable they may be in the interest of the workingman, in all cases the capitalists will protect themselves. The interests at stake demand that all should bear their own responsibilities. Let capital bear its share and let labor bear its share, and let us, above all things, join together to see if we cannot devise some means to lessen the loss of life, with the misery and heart-breaking it entails upon so many families; and let us try our best to comfort the sufferers in their misfortunes.

MICHAEL WALSH.

## APPENDIX H.

## UNJUST LAWS.

## EMPLOYERS' LIABILITY ACT OF THE PROVINCE OF ONTARIO.

When the regulations of a factory are unjust, workmen have a very simple remedy, by withdrawing themselves from it—that is by not going to work there; but when these rules, which are unjust, are converted into laws by Legislatures, workmen are forced to submit to them and to undergo all this injustice.

We have already given our opinion, in speaking of insurance against accidents upon "The Act to assure in certain cases compensation to Workmen" (chap. 141, Consolidated Statutes of the Province of Ontario), but we think it a duty to return to this question, to expose all the unfairness of this law existing at the time the Commission held its investigation, so as to prevent its adoption in other Provinces.

This law, without being perfect, would offer, nevertheless, important guarantees to workmen, if its 16th section (the last) did not in certain cases, completely nullify the law:—

## SECTION 16.

"Sec. 16.—Whereas certain railway companies, some of which carry on operations, partly within the Province and partly without, have in accordance with the provisions of certain acts of the Parliament of Canada, established insurance and provident societies or associations to provide and secure, in case of sickness, accident, or death, aid to such of the employés of the companies as are members of such societies or associations; and whereas it is desirable that nothing in this Act contained should have the effect of impairing the advantages derivable from any such association, or of making its operation less beneficial to the workmen employed by such companies; and whereas, with a view to enactment of any safe and proper provisions which may be necessary in the premises, it is desirable that time should be afforded for further and more complete enquiry in that behalf; therefore, it is hereby enacted that, where any railway company or employer has, in accordance with the provisions of an Act of the Parliament of Canada, or otherwise, established an insurance and provident society or association, of which at least two-thirds of the employés of said company or employer shall have become members, and which society or association shall provide for its members aid in case of sickness, accident, or death to at least the extent and amount provided and secured in that respect by the insurance and provident society or association now established by the Grand Trunk Railway Company of Canada, in accordance with the provisions of certain Acts of the Parliament of Canada, then and in every such case this Act shall not until after the 1st day of April, 1888, apply to any such railway company or employer.

Provided, however, that notwithstanding anything in this section contained, this Act shall be held to apply to every such railway company and employer in respect of any personal injury caused to a workman by reason of any of the matters mentioned in section four of this Act, and in respect of any action for the recovery of compensation for any such last mentioned injury.

Provided, moreover, that notwithstanding anything in this section contained, this Act shall be held to apply to every railway company and employer in respect of any personal injury, within the meaning of this Act, caused to a workman who is not a member of the insurance and provident society or association so established by the company or employer, as aforesaid, and in respect of any action for recovery of compensation for any such last mentioned injury."—(49 Vic., chap. 28, sec. 17; 50 Vic., chap. 22, secs. 1, 2.)

Thus, every manufacturer and every company having compelled their workmen to form themselves into provident and assurance associations will be exempt from all responsibility in case of death or of wounds resulting from accident.

What has this law, in return, exacted from those employers who establish insurance and provident societies to relieve them from the responsibilities imposed upon other manufacturers?

We have only found in this direction paragraph 2, section 12, of the Grand Trunk Railway Assurance and Provident Society. (Pamphlet produced by Mr. Hy. B. Moore, Secretary Treasurer. Page 120, Que.) :—

"Section 12, paragraph 2—The Grand Trunk Railway Company will each half year contribute out of the revenues of the company a sum in aid of the sick benefits and allowances of the society, and in consideration thereof these rules, and all alterations which may be made in them, shall be subject to the approval of the Directors of the Grand Trunk Railway Company."

A sum! What sum? The Grand Trunk pays actually \$10,000 (page 113, Que.) If the company paid 10 cents it would be equally relieved of all responsibility, for it would be strictly within the limits indicated by the law.

The Grand Trunk Company has not certainly abused the elasticity of the law, but what the Grand Trunk does not another company can do.

This Ontario law delivered up defenceless the employes of the most dangerous industries to all the consequences of accidents which can befall them.

This law does not indicate the proportion of payment which the employer should make in exchange for the immunity which the law gives him, and they have not even taken the trouble to indicate on what conditions and what plan these compulsory assurance societies should be established.

Let us suppose, for example, a saw mill employing twenty-four workmen. According to law, if the employer forms a provident association with sixteen of his men, he will be completely sheltered from all responsibility in a pecuniary way in case of accident. Does any one think that these sixteen men would be able to meet, with their monthly assessments, the amount required in the case of the first accident which should strike one of them?

If, on the contrary, these sixteen men form part of an association containing great numbers of members they will be certain to receive their indemnity in case of misfortune.

Paragraph 2 of section 12 of the rules of this Grand Trunk Provident Society shows that the company subscribes only to the sick funds, and does not contribute in any way at all to the sum paid to those assured in case of death. And despite this the Ontario law exempts from all pecuniary responsibility the Grand Trunk Company when one of its employes is killed, and with it, all the manufacturers, companies or individuals who may follow its example.

We have said that the last section of this law of Ontario (section 16) annuls the law completely. It does more than annul it; it has fixed at a ridiculously low amount the sum which unfortunate, disabled employes can receive from employers in whose service they have been injured when these employers have established among their workmen an insurance society.

In effect the maximum of indemnity which the law grants is fixed as follows by section 6, chapter 141:—

"Section 6.—The amount of compensation recoverable under this Act shall not exceed such sum as may be found to be equivalent to the estimated earnings during the three years preceding the injury of a person in the same grade employed during those years in the like employment within this Province, and such compensation shall not be subject to any deduction or abatement by reason or on account or in respect of any matter or thing whatsoever, save such as is specially provided for in section nine of this Act." (49 Vic., c 28, s. 6).

According to this section Ontario courts can grant to the brakeman of a freight train, victim of an accident involving complete incapacity to work, an indemnity of \$1,440; to a conductor, \$3,000; to an engineer from \$3,600 to \$5,040, if those employes belong to the Canadian Pacific, to the Michigan Central or to any other railway company; but if they belong to the Grand Trunk Company the victim would be deprived of the right of appealing to the courts, and would have to conform to the rules of the Grand Trunk Provident Society.

According to the testimony of the secretary of this society (page 122, Que.) these victims would have had the right to \$3 during twenty-six weeks and to a sum of \$100, or in all \$178, of which \$140.40 would be paid by the employes and \$37.60 by the company.\*

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\*The half assurance paid sometimes to victims of accidents is paid by an assessment on the employes. (Par. 3, sec. 5, of the rules).

If the victims whom we have cited as examples had been killed, or died of their wounds, their heirs would be able to get from the Ontario courts judgment against the companies for sums ranging from \$1,400 to \$5,000. But if the victim was in the service of the Grand Trunk his heirs have no right to any indemnity, for we cannot consider as an indemnity a sum due in virtue of a premium paid by the man assured. If, even, we consider this assurance as an indemnity, it never goes beyond from \$250 to \$1,200.

If, to make use of the expression of the superintendent of the Michigan Central Railway (St. Thomas section), this railway kills one of its employés (page 557, Ont.) the company pays all the funeral expenses. "We do not ask," adds the superintendent, "the widow and the children of that employé to pay off those expenses."

The Ontario law has not even imposed these expenses on the Grand Trunk Company. When the family of the man killed is too poor to provide for them the provident society advances the necessary funds and deducts them from the amount of assurance. (Section 14 of the rules of administration of the society).

Clause 16 of this "Act to assure in certain cases a compensation to workmen" threatens the interests of workingmen in the gravest manner.

The Grand Trunk Company obliges its employés to be members of this provident and assurance society. It does not wish to shoulder the responsibilities from which it can, without expense, legally free itself.

But one cannot enter into this society without having passed the medical examination, and one must be not more than forty-five years old.

Should this insurance system become general in the Province of Ontario, men subject to one of these numerous illnesses not incapacitating them from work, but making them ineligible for assurance, would be reduced to enforced idleness.

As to men of forty-five, they would be bound to remain with their then employer; for if they quitted him they could not enter any other shop, not being eligible for any other employer's assurances.

Such are the actual results and the probable consequences of section 16 of the law of the Province of Ontario, so called, "to assure in certain cases a compensation to workingmen."

This section, on the contrary, deprives them of the just compensations to which they would have a right in certain cases.

We do not believe that, since Legislatures have taken up the labor question, provisions so unjust, so threatening to the interests of the workingmen, have been adopted.

What profoundly astonishes us is that labor societies of Ontario have not appealed to public opinion and have not protested energetically against this iniquitous legislation.

Railway employés, more than any other class of workmen, ought to be protected by associations which have assumed the mission of watching over the general interests of labor.

These employés are under the control of powerful administrations, able easily to impose on them their own behests. The very nature of their work, and the absolute impossibility in which they are of finding work without a certificate, renders them, numerous though they are absolutely helpless to protect themselves.

The Commission did not arrive at the truth without guaranteeing to the witnesses that their names would not be published. Their depositions have been confirmed by the officers of the company.

The Commission's enquiry would have been certainly more complete on this question but for the incomprehensible boycotting which the Trades and Labor Council of Toronto had decreed without reason against the Commission, or for reasons which have not been revealed to this day. (See Mr. Parr's letter).

It was necessary to give this explanation, in order that the workingmen of the Province of Ontario may know that if the work of the Commission has not been as complete in some places as in others they have only themselves to blame and some

members of the Trades and Labor Council of Toronto, who have done everything in their power to hamper the work of the Commission.

Section 16 of the "Act to assure compensation in certain cases to workmen" of the Province of Ontario is bad. We believe, even, that it is tainted with illegality, for it seems to us impossible that a Legislature has the power to take away from a citizen, or his heirs, the guarantees which are accorded to him, without giving him the least compensation in return.

#### MASTERS AND SERVANTS ACT.

In the Provinces of Ontario, New Brunswick and Nova Scotia there is no Act concerning the fulfilment of engagements entered into between employers and their workmen. The only Acts of this nature existing in these Provinces apply only to the relations between masters and apprentices. \*

The very existence of these Acts is a source of wonder, as almost all the witnesses, employers as well as workmen, were unanimous in declaring that apprenticeship, as understood a quarter of a century ago, did not exist any longer—as in our days, to speak the truth, there are no more apprentices. The Acts regulating, in the three Provinces which we have just mentioned, the relations between masters and apprentices are all enacted from the same standpoint—that is, they permit the penalty of imprisonment to be imposed on the apprentice who breaks his contract, although they do not impose any penalty, not even a fine, on the employer who neglects or maltreats his apprentice.

In the Province of Quebec there is a Masters and Servants Act applicable to the whole Province outside of towns, cities and incorporated villages, which have the right of passing rules regulating, within the limits of their jurisdictions, the relations between masters and servants.

The Act in force outside incorporated towns is very hard. It allows to be condemned to a fine or to prison, or to both, servants who fail in engagements which they have contracted towards their employers; but, on the other hand, it punishes with the same penalty employers who do not fulfil theirs, and that, too, quite apart from what concerns non-payment of wages.(†)

In the course of its enquiry the Commission visited several towns of the Province of Quebec, all having different Masters and Servants Acts.

At St. Hyacinthe this Act is almost identical with that in force in the rest of the Province of Quebec, with, however, this happy modification, that it imposes only fine or imprisonment—not both together.

At Quebec the matter is regulated by "By-law 197, concerning Masters, Servants, Clerks, Apprentices, Domestics and Day-Laborers." Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 16 permit the imposition of a fine not exceeding \$40, or two months' imprisonment, at most (at hard labor, according to section 16), on every employé who fails in his duty, or who quits his service without leave, although sections 12, 13, and 14 punish only by a maximum fine of \$20, or an imprisonment of thirty days, employers who fail in their engagements towards their employés, even those who treat their apprentices cruelly.

At Montreal, by-law 20, "By-law concerning Masters and Apprentices," has been in force for nearly half a century. It will suffice to cite section 1 of this by-law to make known the spirit of it:—

Section 1.—Every apprentice or servant of both sexes, or journeyman held by certificate or by act or written agreement, and every servant of both sexes or journeyman verbally engaged before one or more witnesses, for one month or a time longer or shorter, who shall be guilty of bad conduct, of stubbornness in his conduct, of laziness, or of quitting his service or duty, or of absenting himself, day

(\*) Section 14, paragraph 2, sec. 19, cap. 142, Revised Statutes of Ontario. .  
Secs. 11, 12, and 15, cap. 98, Revised Statutes, series 5, Nova Scotia.  
Secs. 9 and 13, cap. 70 Consolidated Statutes, New Brunswick.

(†) Sec. 6, cap. 27, Revised Statutes of Lower Canada.

or night, without permission, from his said service or from the house or residence of his master; or who shall refuse or neglect to fulfil his lawful duty, or to obey proper orders given to him by his master or mistress; who shall be guilty of any fault or offence in the service of his master or mistress, or of any illicit act which can affect the interest or trouble the domestic affairs of his master or mistress; or who shall be guilty of squandering the property or effects of his master or mistress, shall be, on conviction before the Recorder's Court, subject to a penalty not exceeding twenty dollars and to an imprisonment not exceeding thirty days, for each and every offence.

The other sections treat of giving notices to employers before quitting their service, but they all inflict the same penalty on employés—\$20 and a month's imprisonment, or two months when the fine is not paid.

On the other hand, the employer found guilty of "illtreatment, defect or insufficiency of provisions or wholesome food, or for cruelty or illtreatment of any sort," (section 5) is punishable only by a fine, or by imprisonment not exceeding thirty days. And this by-law, which allows the employé to be sent for sixty days to the common gaol for quitting his service without giving fifteen days' notice, inflicts no penalty on the employer who sends away his employé without giving him notice or without paying him his wages.

This Act, its interpretation and its application, are responsible in a great measure for the deplorable facts exposed before the Commission at Montreal.

This Act has allowed certain employers to terrorize their apprentices, male or female, and has allowed others to make rules more or less tyrannical.

This Act makes the workman his master's chattel. It allows the latter to keep his employé at his house day and night, to hinder him from voting, to hinder him from watching at the sick bed of any of his own people, and to force him to work without paying him. The law is absolute; it does not admit any excuse, however lawful it may be. (Pages 212 to 214, Que.)

The Acts which punish in a different manner the same faults according as they are committed by employé or employer have long since been abrogated in all other countries. If it is absolutely necessary to leave them in our legislation the least we can do is to apply the same punishment to those who fail in their engagements, whether they are masters or servants.

Masters and Servants' Acts have been abolished everywhere, because people consider that a contract between employer and workmen is a contract purely commercial, whose non-execution can entail damages, but ought not in any circumstances be punished with imprisonment, as at Montreal, or with hard labor, as at Quebec, any more than non-payment of a note or non-delivery of an order can cause the trader who does not keep his engagements to be sent to prison.

It is a serious thing to send an innocent person to prison, and it would be, perhaps, useful to hold an enquiry upon the life led by poor apprentices and unfortunate servants who have been sent to the Montreal gaol.

These Acts carry their own condemnation with them. The severer they are the more bad employers make use of them to tyrannize over their employés, as the testimony heard establishes.

Their suppression can only tend to increase good relations between employers and workmen, and to prevent the recurrence of acts which have been committed during their existence.

We believe, however, that it would be necessary to make a special law concerning employés or workmen whose sudden cessation from work would jeopardize the lives or welfare of citizens.

There is a law whose application the Commission has proven in the Province of Quebec, but the text of which it has been impossible for us to find.

It is in virtue of this law that workmen working by the piece can be arrested, condemned to prison and to fine, or to loss of wages due them, for leaving their employer, their job being finished, without giving fifteen days' notice. (342 and 343, 1183-85, Que.)

Certain manufacturers seem to know this law well, for after having engaged their apprentices and workmen by the week, which obliges them to give fifteen

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days' notice before leaving, they change work by the day into piece-work and then bring before the court those of their employés who leave them. The court, according to the evidence, has in such cases always condemned the workmen.

Here is surely a legal injustice which ought to attract the notice of legislators. It is impossible to pretend that a workman is bound to his employer during fifteen days without the latter being obliged to keep him in work. Actually, an employer imposes on men doing piece-work the obligation of giving fifteen days' notice, upon penalty of being brought before the court and losing the salary due, although he does not at all engage himself to give the man work—that is to say, the possibility of earning a livelihood during these fifteen days. (Contract of the Allan Line, page 199; of the Hochelaga Cotton Company, page 277; of the Tanneries \*\*\* at Montreal, page 593; of the firm of Dobell, Beckett & Co., 1027; of the Paton Manufacturing Company, page 1244; of the St. Hyacinthe Granite Mills, page 1364, Que.)

All these contracts have force of law, as the evidence proves. We will cite, above all, the case of two brothers at Sherbrooke—one fourteen years, the other fifteen years—both doing piece-work, who, having followed their family to Montreal, were arrested and taken back by the police to Sherbrooke to finish their contract of apprenticeship, although this contract called for weekly payments, and had been broken by the employer himself. (Pages 1183-1185, Que.)

JULES HELBRONNER.

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(Translation.)

## APPENDIX I.

## STRIKES AND ARBITRATION.

A great number of strikes arise more from unjust regulations than from a question of wages.\*

It is unjust to oblige workmen to labor on religious holidays, to impose fines on them, to force them to give their time without remuneration, as men working by the piece, and certain bateauxmen of Quebec must do, for example.

It is unjust to refuse work to men if they belong to labor organizations, to pay them irregularly, to keep back part of their wages, to leave them at the mercy of the whim, more or less tyrannical, of a foreman, etc.

Strikes arise from these abuses, as well as from questions of wages.

And workmen, it should be understood, respond too often to these exaggerated and unjust pretensions of employers by other demands no less unjust.

The most practical means for reducing strikes to their minimum in number and intensity is to establish for the settlement of disputes between labor and capital a labor court, whose judges (or jurymen, if preferable) should be practical men—employers and employés.

\* Leading Causes of Strikes—Number and per cent. for the United States—1880-87.

(From the third annual report of the Commissioners of Labor, 1887—*Strikes and Lockouts*, page 17.)

CAUSE OR OBJECT.	Establishments Involved.	Per cent.
For increase of wages.....	9,439	42.32
For reduction of hours.....	4,344	19.48
Against reduction of wages.....	1,734	7.77
For increase of wages and reduction of hours.....	1,692	7.59
For reduction of hours and against being compelled to board with employer...	800	3.59
For change of hour of beginning work.....	360	1.61
For increase of wages and against the contract system.....	238	1.07
For increase of wages and against employment of non-union men.....	215	.96
In sympathy with strike elsewhere.....	173	.77
For nine hours' work with ten hours' pay.....	172	.77
Against employment of non-union men, foremen, &c.....	162	.73
For increase of wages and recognition of union.....	145	.65
For adoption of union scale of prices.....	142	.64
Against increase of hours.....	138	.62
For increase of wages and enforcement of union indenture rules.....	132	.59
For reduction of hours and wages.....	126	.56
For re-instatement of discharged employés, foremen, &c.....	124	.56
	20,136	90.28
All other causes (297).....	2,168	9.72
Total for the United States.....	22,304	100.00

The "Conseils des Prud'hommes," of France, are both boards of conciliation and compulsory courts of arbitration. They are composed of an equal number of employers and employés, respectively, elected for three years by the class which they belong to.

Thus the action of each "conseil" is twofold.

As boards of conciliation, they are composed of two members—an employer and an employé—each sitting alternately as president. The two parties are heard privately. If the difference between them cannot be amicably settled they are sent before the court of "Prud'hommes."

The latter is composed, besides the president and the vice-president, of an equal number of employer "Prud'hommes" and employé "Prud'hommes." Four members are a quorum. The president and the vice-president of that court are elected for one year, at a general assembly by the majority of the members present. The president and the vice-president cannot belong to the same class, either of employers or employés.

In the absence of other legislation, the "Conseils des Prud'hommes" can be established under existing laws in the Province of Quebec, municipalities having the power to make regulations concerning the relations between employers and employés.

The "Conseils des Prud'hommes" would judge the differences between employer and employé, would estimate the damages sustained by the employer for the workman in case of dismissal or of abandonment of work; would pronounce on the validity and the equity of the factory rules—in a word, would regulate promptly and without expense all individual variances, and would prevent the individual difficulty from assuming the importance of a general dispute.

We would not see any more a whole workshop (sometimes a whole trade-body) quit work to protest, and to protest very often justly, against a grievance, or against an attack on the self-respect of a workman.

When workmen shall be able to bring abuses of authority before their peers they will no more have reason to go on strike to protect themselves *en masse* against the consequences of these abuses.

With the "Conseils des Prud'hommes" the workman dismissed for not having executed an unjust order will obtain damages in proportion to the wrong sustained; and the employer or the foreman who may be guilty will be more careful in the future; and, in like manner, workmen will be restrained from putting forward undue claims.

Disputes in the matter of payment of wages, of deductions, contracts of apprenticeship, and their execution, etc., etc., will be settled by these "Conseils des Prud'hommes."

In cases of strike, or of threats of strike, they will perform the functions of a court of arbitration, if required, and in all cases they will have the right of sitting as a court of enquiry. Those who are interested may testify under oath, and after this enquiry the court will make an impartial report of the state of affairs, and of the reasonable concessions which the parties should make in order to reach an understanding.

This manner of proceeding would result in enlightening public opinion, a potent factor in matters of strike, and, above all, of enlightening those interested. The Directors of great companies often refuse to accede to the just demands of their workmen, upon the interested representations of their superintendents, or of their foremen, and workmen often make demands which the state of business does not justify.

Such an enquiry, made by a tribunal composed of disinterested masters and men, would cause the truth to be known, and would protect the industrial world from these disturbances, due solely to the despotism of some employers and of their foremen, and to the irritation of workmen too often fanned by some of themselves.

With the "Conseils des Prud'hommes" having the right of enquiry in cases of strikes, we would see fomenters of disturbance disappear, as well as the employer who wants a "lock-out" because his stock is too large.

The reports of these councils, indicating what it would be just to do, would put an end to all these irritabilities which always prolong strikes. It would be no longer a question of knowing who should give way, but solely of correcting an error of judgment.

In a word, to diminish the difficulties between capital and labor it is necessary to submit to prompt and compulsory arbitration all individual differences and abuses by means of a competent tribunal.

Besides, this council can mediate in all questions of wages, being the only ones in which they cannot make compulsory arbitration.

The "Conseils des Prud'hommes" have fulfilled this double function in France since 1804. They exist also in Belgium. They formed the basis for the first law concerning arbitration established in England in the reign of George IV, and Mr. Mundella was inspired by their principles at the time of the creation in England of tribunals of voluntary arbitration.

To show what the effect was of those Conseils des Prud'hommes on the relations between employers and employes in France, it will be sufficient to give the opinion of a few economists on that subject.

Mr. J. B. Guise, an employer, member of the Lyons "Conseil des Prud'hommes," made the following statement in the course of a lecture on the reforms which it was proposed to introduce into the organization of those councils:—

"Among all the institutions of conciliation which we have in France, that of the Councils of Prud'hommes is, without contest, the most useful.

"That organization, which, under its modest appearance, protects, to-day, the capital invested in industrial pursuits, no matter what may have been said to the contrary, has been, sometimes, powerful enough to oppose a legal obstacle to the abettors of strikes and scenes of disorder." (*La Reforme Sociale*, Sept. 16, 1888, page 286).

But the remark may be made that that is the opinion of a Frenchman on a French law. Let us now see what foreign economists have to say on the same subject.

In his report to the Legislature of Massachusetts for 1881, Mr. Carroll D. Wright, after giving the list of the tasks performed by those Councils, expresses himself in this wise:—

"This is a most satisfactory showing; but it falls far short of expressing the great benefit these councils have been to French industry, especially in removing causes of differences or in preventing them from growing into disputes. Their success is sufficient justification of the praise so lavishly bestowed upon them by M. Chevalier—*une des plus nobles créations dont notre siècle s'honore*. (*Industrial Conciliation et Arbitration*, page 9).

We find the following opinions in two other reports of the United States Labor Bureau:—

"The oldest boards of arbitrators are the "Conseils des Prud'hommes," of France, and they are also the most successful. Their establishment dates back eighty years.

The authority of these councils extends to every conceivable question that can arise in the workshop, not only between the workman and his employer, but between the workman and his apprentice or his foreman. There is but one question they cannot settle—future rates of wages; but even this can be done by mutual agreement. Arbitration is compulsory upon the application of either, and the decisions of the court can be enforced, the same as those of any other court of law.

"The workings of the court have been beneficial to France's industry, especially in conciliations, by which more than 90 per cent. of all cases before the tribunal are settled."

In 1856, out of 28,030 cases, 26,000 were settled by conciliation. There were in 1880 about 135 councils in France; out of every hundred cases brought before the court of conciliation 59 related to wages, thirteen to dismissals, five to disputes about apprenticeship, and thirteen to various other points." (*Second Biennial Report of the Bureau of Labor and Industrial Statistics of Wisconsin*, 1885-86. (page 390).

"The mining districts of the latter country (France) excepted, it will be seen that in industrial centres of the country strikes are comparatively few and far between. This exemption is probably due to the admirable system of voluntary arbitration which prevails there under the name of "Conseils des Prud'hommes," an interesting account of which appeared in the third annual report of this Department." (*Fifth Annual Report of the Bureau of Statistics of Labor of New-York* for the year 1887, page 25.)

In the report of the New York State Bureau of Statistics for 1885 we find a paper by Mr. Jackson H. Ralston, on the Conseils des Prud'hommes, which was read before the International Typographical Union, at their last session in Washington.

In the few lines preceding that paper, by way of preface, we find the following quotation :

"Thomas Brassy says in his 'Work and Wages': 'The result in ninety-five out of one hundred cases brought before these boards leaves a reconciliation between the parties, and although appeals are permitted to the superior courts of law they are rarely made. Lord Brougham, in a speech in the House of Lords in 1859, declared that, in 1856, 28,000 disputes had been heard before the "Conseil des Prud'hommes," of which no less than 26,800 were satisfactorily settled.'" *Third Annual Report of the Bureau of Statistics of New-York, 1885, page 431*).

A few extreme partizans of the Monroe doctrine allege that the ideas, customs and laws of this continent are so very different from the laws in Europe that it would not be practicable to adopt in America the Conseils des Prud'hommes. We can oppose to that opinion that of Mr. Jackson H. Ralston, and whose views on those boards are expressed at the end of his paper on the "Conseils des Prud'hommes".—

"It was my good fortune to be present at several sessions of the bureaux of the "Conseils," and I was struck with the anxiety shown to render exact justice. The council seemed to me to be emphatically a court of workingmen. In our courts we know that the employer is always at an advantage. In France master and man meet upon equal ground, and each defends his own cause. Therein exists a spirit of the most exact equality; the workman and employer each and equally concedes its impartiality and justice. Such has been the testimony of all acquainted with the matter with whom I have been brought in contact.

"That this system should be adopted in our country, with necessary modifications, I have no doubt. To cause its institution in many of our States requires but the effort and disposition of a few earnest men. Its universal adoption would secure the removal of many petty grievances from which we too frequently suffer." (*Third annual Report of the Bureau of Statistics of New York, page 437*).

Strikes lead invariably to disastrous results for the winning parties themselves. In order to prevent them, it is wise to have good legislation which will facilitate the prompt and equitable settlement of differences which may arise between employers and employés; and all sort of encouragements must be given the latter to save their earnings as much as possible.

By the encouragement given the employés in that direction those among the employers who are guided by a sense of justice will find themselves protected against the strikes resulting from the arbitrary disposition or selfish avariciousness of certain men of their own class. When the working classes have saved sufficiently to face all the hardships of a strike those among the employers who are abettors of strikes, will not be so easily disposed to lower the rate of wages, or dictate arbitrary regulations; and, on the other hand, the employés will accept all reasonable measures of settlement ere they feel resigned to spend part of their savings.

JULES HELBRONNER.

## APPENDIX K.

### REPORT OF G. BOIVIN ON THE POSSIBILITY OF PROCURING FOR WORKMEN AND LABORERS OF ALL KINDS REMUNERATIVE AND CONSTANT EMPLOYMENT.

MR. PRESIDENT AND GENTLEMEN,—

I have divided my notes into three parts, which I have entitled: Suggestions,  
Exports, Patents.

#### SUGGESTIONS.

1. That a study be made of all products imported into Canada, in order to find out those which it is possible to manufacture in this country.
2. That a choice be made of imported products of which this country can furnish the first or raw material, and of which the manufacture requires the least apparatus. Imitate by preference foreign products.
3. That the Government manufacture, even at great expense, all it wants for its own use, rather than import.
4. That importations of foreign workmen under contract be not permitted, and that Government assistance to immigrants be not continued.
5. That a law be passed requiring imported goods to be plainly stamped with the name of the country of production, where that is practicable, so that even retail buyers may know what they are purchasing.
6. That in addition to elementary education, primary instruction in practical mechanics and domestic economy be given in the public schools.
7. That to render these suggestions practical and permanent, societies be formed in all incorporated towns, and that in those where there may be more than 25,000 souls they shall have the right of forming societies in proportion to the population.
8. That at a meeting composed of not less than twenty persons having the right to vote, a president, vice-president, secretary-treasurer and other members to form a committee of management shall be chosen, which committee shall be composed of at least five persons, and that these officers shall have sole direction of the society.
9. The name of the society should be the Manufacturers' Society of (here name the place). The officers shall not have any pecuniary responsibility, but nevertheless shall be obliged to make an annual report in writing of their management to the Government.
10. Every town shall be obliged to furnish a sufficient and proper place for the collection of samples, which shall be labelled with all possible information.
11. The Government shall give, once for all, a sum of \$100 for the purchase of samples which shall be placed in the said hall; and, moreover, shall give every year the sum of \$200 which shall be the salary of the secretary-treasurer.
12. It shall be also the duty of the said society to make a special study for the development of mines, and to reciprocally arrange, in order that the laws in each Province make charges as low as possible to those who wish to acquire mineral lands.

#### EXPORTS.

It is a matter for regret that the Government has not more agents in foreign countries to assist the representatives of Canadian exporters in the placing of our farm and other products.

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Business men know that it is almost useless to send to foreign countries ordinary travellers to dispose of their products. These agents have little influence with the great foreign buyers. So much is this the case that for want of documents of an official character the sample will not even be examined.

I would suggest: if four or more manufacturers or wholesale dealers associate for export trade, and name one or more representatives for the sale of their products, that the Government issue in this case letters of introduction, setting out the names of the manufactures represented, the nature of their products, that they are Canadian, and permitting them to have all the information possible from Government representatives, when there are any. Letters of this kind, official, will be of a nature to open the doors of large buyers in countries where Canada has no representatives.

#### PATENTS.

I believe that, as mechanical inventions and improvements contribute so enormously to the development of industry, I ought to make some suggestions regarding the patent law.

Inventors are born with special talents. In general that is a misfortune for them, because they work all their lives for the advancement of a number of things, without any reward, or even the honor of the merit of their inventions. It is necessary that strict and intelligent search be made before granting a patent, in order that the patents granted can be considered as real property.

The Government should have at its service for the Patent Branch only persons having innate talent for this matter, give them all means possible to keep themselves posted and continue the system of models. There is much to do.

The price charged for a patent of fifteen years is \$60. I would suggest that it be reduced to \$30, and that the charges for trade marks and patterns be no more than the mere cost of registration. I think that the Patent Office would lose nothing in revenue, and that this reduction would have a good effect in the development of trade and industry. In the United States patents are not granted except after the most minute research in the registries of patents granted in France, in England and in Germany. The cost for work so beneficial is only \$35 for a patent of seventeen years, and for a population twelve times larger than that of Canada.

The paper which is published by the Patent Branch should be printed in the two languages. This journal will be useful to workingmen, and it is right that they should be able to benefit by it.

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(Translation.)

## APPENDIX L.

### PAYMENT AND NON-PAYMENT OF WAGES.

The law protects, only very feebly, wages; that is to say payment is assured, when it is so, only by laws of an application as slow as costly.

Numerous complaints have been made to the Commission *à propos* of the losses to which wage-earners are exposed and of the thefts of which they are too often the victims.

At page 888, (Ont.), there is found a list of thirty-four employés of a woollen factory who had lost together an amount of \$565.78 of wages; the smallest sum due is \$2.02 and the largest \$91.81, representing three months' labor. The witness in his own energetic language says: "Our salaries have been stolen."

Numerous witnesses were heard on this question in all the Provinces, and were agreed in demanding a law assuring absolute security of the payment of wages.

Numerous complaints were equally made *à propos* of the precarious position in which employés, whose employers are bankrupt, find themselves. These employés, often engaged by the year, lose their wages and their situations, without the least hope of compensation. (Page 192, Que.) They ask that an indemnity, based on the damages suffered be granted them by law.

The Commission has learned, with regret, that in certain districts workingmen were systematically fleeced of their wages.

A witness (page 1156, Que.) declares that a sub-contractor at a single time robbed his workmen of \$1,600, one of them losing \$150. He declares—an incredible thing—that Canadian farmers working in the shanties, on Canadian soil, for Canadian employers, have been for three successive years robbed of their pay. He adds that if these men had worked upon the territory of the State of Maine they would have had a lien upon the wood cut, a privilege which they have not in Canada.

Mr. L. E. Panneton, lawyer, Mayor of Sherbrooke, says (page 1161 Que.) that many workmen working for a sub-contractor in building a railway have lost, each, from \$15 to \$60 of their wages, and that shantymen have lost from \$80 to \$200. There is, he said, a law protecting workmen, but it is useless in the majority of cases. The details of similar thefts are given by other witnesses on pages 1187, 1188, 1189, Que., 1161 and 1190, Ont.

These facts require no comment, and the necessity of legislation hindering the recurrence of it is beyond all question.

It seems that certain employers have no idea of the privations without number which they impose on their employés by paying them irregularly. This irregularity, which may happen in small manufactories at times, is certainly incomprehensible when it is the act of great administrations.

How can one explain that the gardeners employed at Spencerwood, receiving 75 cents per day, remain from eight to nine weeks without being paid? (Page 1048, Que.).

How can one explain that the corporation of Quebec suffers regularly every year the men employed by it to wait for their wages seven or nine weeks? (Page 1109, Que.).

How can one explain that men working at the building of the Quebec court house have remained seven weeks without receiving their wages, with this aggrava-

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tion, that from the date their pay ceased their daily hours of labor were increased from eight to ten? (Pages 781-783, 892, Que.).

One of these unpaid employés said: "I have heard it said that many of these workmen were in distress, that they had need of wood and that the grocers refused to give them credit." (Page 782 Que.)

There are a number of other evidences upon the same subject. We have cited only the most striking examples, and those which are able to justify more than any other the demand which wage-earners do not cease to make for a law permitting them to recover at small expense and without delay the wages which are due to them.

We ought to mention, with regard to the payment of wages, that almost all workingmen have pronounced for weekly payments, and that the payment be made on Friday.

Weekly payment to workingmen will result in diminishing the credit system, to which workingmen must necessarily have recourse between two payments long divided. The Friday payment will result directly in permitting housekeepers to make their market with advantage, and will indirectly result in aiding in the solution of the question of the Saturday half-holiday for retail stores.

JULES HELBRONNER.

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## APPENDIX M.

### THE FISHING INDUSTRY OF CANADA.

The fishing industry in the Dominion of Canada is of vast importance; and, however great it may be at the present time, it is impossible to estimate its possibilities for the future. For, situated as it is, reaching from the Atlantic to the Pacific, and having large extent of seaboard on both, it is only the natural outcome of such a position that the greatest interest should be taken to avail ourselves of the untold treasures of our seas, and any disability that may in any way hinder its development to the fullest extent should be remedied by legislation, by treaty, or by any legitimate means to hasten such a consummation.

On account of its importance, a Minister of the Crown is specially appointed to look after its interests; and as yearly returns are made to his department, from which its general results may be learned, it is not our intention to go into any statistical *resumé* of its general progress.

Our intention is merely to give such deductions concerning this industry in the different districts visited as the evidence received by the Commissioners will warrant.

At Windsor, Ont., the fishermen of the Detroit River testified that within their time a thriving fishery was carried on, in which about 100 men were engaged with profit. The number at the present time is reduced to thirty, or thereabouts. They say that fish are as plenty as ever, and that as large a number of men as ever might be profitably employed upon the river, only for the use of pound nets upon Lake St. Clair. They complain that these nets are used on both sides of the lake, and have long leaders or arms extending for miles along the shores, and are so close to openings into the river as to prevent the fish from coming down as plentifully as formerly, and that whatever come down are small, as the large ones are taken in these nets.

They also complain that the use of these are likely to injuriously affect the fish in spawning. The Detroit River, they say, is the natural depository for the ova, and if so deposited it is sure to come to maturity; but, as the fish are held back by these nets they deposit their spawn in the lake, where a great deal of it is destroyed by the storms of October and November. We have their testimony that there is no close season that they know of, and if there is it is neither observed nor enforced. All who have testified agree that if a close season was observed and the nets done away with, or their arms or leaders shortened, the fish would be much more plentiful than at present. Their principal markets are Detroit, Windsor, London, Ontario, and sometimes New York. They complain of duties being exacted from them when selling fish in the United States for immediate consumption, on the plea that they were selling to be stocked, even when they offered to make affidavit to the contrary.

#### ST. JOHN, NEW BRUNSWICK.

##### *Alewives.*

The city of St. John, N.B., is largely interested in this fishery. There are 125 boats employed in the alewives fishery, employing about 250 men and boys. This fishery lasts about three months. The catch is about 10,000 barrels, and returns about \$45,000.

##### *Shad.*

Some fifty boats are engaged in the shad fishery, employing about 100 men and boys. Fishing lasts from three to four weeks, and returns from \$200 to \$250 for each boat, or an amount equal to \$12,500.

*Salmon.*

About 125 boats are engaged in this fishery, employing 250 men and boys for about six or seven weeks, and secure about 10,000 barrels, at an average of \$15.50 per barrel, returning an amount equal to \$155,000.

We find that in the prosecution of these different fisheries those employed have not any great distance to go outside their own harbor; unless, indeed, in the herring fisheries, when they sometimes go as far as Grand Manan. We are pleased to report that it is very seldom any accident of a fatal nature occurs.

As these fisheries employ those engaged in them only in spring and summer, many of them engage in winter fishing, which lasts from the beginning of the year to about the 1st of March, and if fairly fortunate earn about \$100 each.

None but able fishermen engage in this voyage, and larger craft, that require a crew of four or five men, are necessary for following it up successfully. Those who do not engage in winter fishing find employment in factories, in mills or on farms.

Most of those engaged in these fisheries are fairly well off, many of them comfortable, having houses of their own, and several have farms also. The market for their fish is their local market, which is very large, the West Indies for alewives, and the United States as a general market. They would send more to the United States, but say that they are at a disadvantage in the way of transport, as they are obliged to pre-pay freights, which the people of Halifax are not.

The general outfit for the shore fishery costs about \$40 for boat and nets, and for winter fishing about \$150.

## CHATHAM, NEW BRUNSWICK.

In the vicinity of Chatham there are many engaged in the fishing industry. Lobster fishing is extensively carried on; but, at the time the Commission visited that place, reliable information was not to be had.

Salmon fishing is carried on extensively. The season lasts from four to five months, and ordinary hands employed earn about \$350.

Smelt fishing has been for the last few years more extensively carried on than formerly, and proves very profitable to many. It is a great boon to the people, for its principal season is winter, when work is scarce. A great many are engaged in it, and some have made as much as \$60 in one night.

## NOVA SCOTIA.

The general fishing trade of Nova Scotia is largely represented in the city of Halifax, and from testimony received in that city it appears that the inshore fishing is not as productive and profitable as formerly. It is not now so easy to follow up this employment, for the fish seem to be inclined to keep farther from the shore year after year, and the boats used along shore are no longer fit for going further out and prosecuting the voyage with any degree of safety and success. Besides, the former appliances are not so well adapted for this new order of things.

This inclination of the fish to keep off shore is attributed to a variety of causes. Some say the former grounds are overfished; others say they are poisoned by throwing overboard decayed bait and fish refuse, and that after some time, when the grounds are purified, the fish will return again.

Another reason is stated, and seems to gain prominence at the present time, on account of its discussion through the press of the Province. It is this: that from the mouths of harbors and rivers a great many impurities are thrown upon the fishing grounds, particularly from saw-mills, factories, etc. (In this connection see evidence on page 136, Halifax evidence). But from whatever cause, the fact remains the same: the fishermen have to go farther to sea to prosecute their voyage. Notably is this the case with regard to mackerel, fish that formerly used to swarm in our very harbors. Even a few years ago this fish used to be taken close

on shore. This is seldom the case now, for fishermen say, they have to go out from 10 to 15 miles to sea in order to have any chance of a successful catch.

Whilst it may be an acknowledged fact that the fish are keeping farther from shore, it is satisfactory to be assured by those who are competent to judge that some 20 to 25 miles from shore, and on the several banks resorted to, as well as the North Bay, fish is as plentiful as ever, and those who take advantage of it and procure the proper outfit are fully rewarded for their enterprise. But a great many of our people are unable to do so, as the expense of such an undertaking is too heavy for them, and many who have long been their own masters do not like to become servants to others. But, notwithstanding all those drawbacks that in-shore fishermen have had to contend with, the majority of them who had boats of their own have secured something like a competence. Many have houses of their own and live comfortably; others have houses and farms; and, as regards any hired help they may have, and who are not permanently engaged may, if sober and industrious, find plenty employment after the fishing season is ended, in factories, saw-mills, mines, in the woods or on farms.

Our young men, however, are taking early advantage of the position, and for the most part attach themselves to the more successful, if more arduous, work of going to the bank fishery.

The average size for bankers is about 110 tons, and the cost about \$6,000, when fitted out and ready to take in her fishing outfit, which would cost some \$3,000 more, so that when the vessel is ready to proceed to the banks on her voyage, having on board doreys, salt, provisions, which include everything that would be considered necessary for a comfortable family on shore, and every article the best of its kind, the amount invested would be about \$9,000. This would be the greatest expense, for the outfit of the vessel on a second or third voyage would not be so much, perhaps not more than half of the first, or from \$1,500 to \$2,000. This refers to the vessel only. Although the expense is heavy, if the voyage turn out fairly well a couple of trips would pay the whole expense. Some even do better than that. Instances are known in which vessels of this class have made \$20,000 in one year; but, of course, everything would depend upon the result of the catch. Vessels of this class carry a crew of about twenty men, who are generally upon shares. The amount made is divided as follows: The vessel gets half, the captain 5 per cent., the remainder is divided among the crew. Most of the vessels of this class make two, and sometimes even three trips in a season, and men on share make from \$200 to \$400. The full season is from the 1st April to the 1st October, although many of them are home from 1st to 15th September.

We find that about 200 vessels of all classes are fitted out for the bank fishing from Halifax city, besides a great many from various harbors of the Province, and are pleased to find that in general they are fairly successful. The bankers being fitted out from Nova Scotia of late will bear favorable comparison with those of any other country. They are as well found and as well provisioned as any to be found elsewhere. In the near future we hope to see such a fleet of bankers fitted out from Nova Scotia, and from other seaboard Provinces of this Dominion, as will give our young men sufficient employment, and thereby do away with the necessity of their having to go elsewhere to look for it. It is acknowledged that the fishermen of the Maritime Provinces are among the best, if not the very best, in the world; the vessels as good as, if not superior to, any engaged in this fishery. They have been proved so staunch and seaworthy that those interested have been spared the painful necessity of recording the terrible loss of life, and all deplorable details of family bereavements, with its sequence of widows and orphans, that year after year have been recorded elsewhere.

As this hazardous occupation is always attended with great danger, accidents, even of a fatal nature, may at any time occur; yet they are so few in these Provinces, considering the number engaged, that for this blessing we have to thank a Benign Providence, in whose hands are life and death.

Many of those in Nova Scotia engaged in the fishery own and are able to fit out their own vessels, and, if fortunate and thrifty, become (and some already are) wealthy, and while benefited themselves, give an opportunity to others to make themselves and their families comfortable. Many men of the crews of these vessels own property, having houses and farms of their own; many own houses without other property. According to testimony these houses are worth from \$400 to \$600 each. Some others—young men, for instance—have farms of their own, but do not own houses.

#### FRESH FISH.

Large quantities of fresh fish are sent by rail from Halifax to Montreal. Still more would be sent if there were cars adapted for such purpose. If proper cars were available fish could be sent in cold weather, without being first frozen, as has to be done at present, and as the season advances they have to be packed in ice.

Consignments are also sent to Hamilton and London. One firm in Halifax ships to the places named 200 to 250 tons in a season.

There are frequently delays upon the road, but when a full carload is sent it is despatched more quickly.

#### WEST INDIA TRADE.

The city of Halifax has from sixty to seventy sailing vessels engaged in carrying fish to the different ports of the West Indies, and until lately had the entire supplying of these ports with fish, with the exception, perhaps, of some from Newfoundland. However, Nova Scotia had the largest share of it, and it is believed all engaged made fairly good markets.

The steamers, however, that used to make semi-monthly trips from Nova Scotia to these ports, began some ten or fifteen years ago to carry some fish as part of their cargo. These steamers received a subsidy from the Imperial Government for carrying the mails. Upon representation of some of the merchants of Nova Scotia this subsidy was withdrawn some three or four years ago.

The use of steamers in the carriage of fish is preferred, for, although they charge higher rates of freight than sailing vessels their voyage is shorter (which is a very great consideration in a tropical climate) and the fish is landed in better condition.

A fish expert said that fish only a few days landed in the West Indies would be scarcely recognized by those who saw it in Nova Scotia, for it changes in taste and color. Much more is this the case after a long voyage. At the present time steamers from the United States are engaged in this trade.

The introduction of steamers in carrying fish to the West Indies has materially altered the trade. Again, telegraphic communication has had its effect. The shippers say the markets are not so good for them as formerly, although they may be more profitable for the consumer.

The case stands thus: Formerly, fish merchants at the West Indies had no means of getting immediate advice as to when any fish cargoes would leave, or when to expect them, and if stocks of fish had run down or completely run out prices consequently would range high. The first vessel to arrive, under these circumstances, with fish cargo, parties selling could make their own terms, and sometimes sold at fancy prices.

The buyer of such would charge his dealers in the same ratio, and upon the consumer would fall the greatest loss. It is a received maxim of trade that when prices are abnormally high merchants and middlemen make their greatest profits. Since steamers engaged in the business, and had stated time for leaving, the time of their arrival could be fairly calculated; therefore, the chance of such a state of things as formerly prevailed could scarcely happen. Although this was a great change, the telegraph revolutionized the whole state of affairs, and information may be had regarding markets and vessels at once, and all concerned will govern themselves accordingly. Although the profits of the merchants may not be as great as formerly, the consumer certainly is benefited.

## LOBSTER FISHING AND PACKING.

The evidence received upon this industry is not as comprehensive or as extended as we could wish. It is not now as profitable as formerly. The reason given is that of over-fishing. There are other reasons which a witness has sent in memorial to Government. The evidence may be taken as a description of the manner in which this great and profitable industry is carried on, and one in which so many are now employed. It gives employment during the season to a great number of men, women and children.

A single firm employs from 200 to 225 men and women, and about fifteen boys. The wages paid men per month is from \$25 to \$40, with board and lodging. Women's wages per month is \$12, without board, as many of them live in the neighborhood, and \$8 with board and lodging. The boys' wages are the same as women's.

Independent of this, a number of can-makers are employed all the year around, at the rate of \$2 per day. All wages are paid in cash, and no orders given, unless desired, for goods.

The morality of those engaged will compare favorably with the same number engaged in any other industry, although the sexes live in the same buildings. These employes are well housed, well fed, and everything done for their welfare.

The wages of those employed in this industry have steadily increased within the last ten years. Those who have worked in this business like it and return year after year; some have been in the employ for twelve years. The hands engaged in this trade are employed about six months in the year, from 1st of May to 1st of October. For the remaining time they find employment in mines, in the woods, and some go to sea.

The fishing bounty which the Government of this country dispenses is acknowledged to be a great benefit to our fishermen. It stimulates them to work more earnestly in the future even than they have in the past. To those employed in small boats along our shores is this particularly so, and they acknowledge with gratitude the wisdom as well as the goodness of those who brought it into effect.

Sea fishing as an occupation is both arduous and dangerous; but to those thoroughly bred to it there is a kind of fascination about it which divests it of either character—so much so, that they would not willingly relinquish it for any other, and although we know that all are not successful, still they live on quietly and hopefully. Very seldom, if ever, do we find any disruption leading to conflict between them and those with whom they deal, and the labor troubles which frequently appear amongst those who labor on shore scarcely ever affect them; but, whenever they do complain, it is not without reason, which may be caused by matters outside their control.

We may instance the difficulty in international relations, such as we are passing through at the present time, and in this they have full reason.

MICHAEL WALSH.

## APPENDIX N;

## CONVICT LABOR.

The problem of the employment of prisoners is one which has engaged the attention of thoughtful men for many years. So far, no solution has been found which gives universal or even general satisfaction. It has been decided with substantial unanimity that prisoners should be employed at productive industry. Their own health, their well-being after liberation, and the public interest require this. Warden Lavelle, of Kingston Penitentiary, says: "I believe we send out men worse than when they came in, unless they are taught intelligent labor, fitting them for future usefulness. Confirmed criminals are not those trained to some useful occupation." (Page 937, Ont.)

Other things being equal, convicts should be put at that employment which will produce the best results. If it is unwise to keep them at wholly unproductive work it is unwise of the same kind, though less in degree, to keep them at inferior production, if they can be put to better economic use without detriment to their health, their reformation or to the interest of free industry.

The best authorities agree that prisoners should, when at work, as at other times, be under the exclusive control and direction of the prison authorities. The weight of testimony seems to support an opinion that the selling or leasing of the labor of prisoners to contractors is evil in its effects, though Warden Massie, of the Central Prison, Toronto, thinks that if industrial operations are carried on under official supervision—the contractors having only instructing and directing power—there can be no objection to the system (page 344, Ont.) It seems better, however, to save to the State the profit made by the contractor. It is quite possible to urge strong objections against any system of Government interference in trade; and it cannot be denied that the purchase of supplies and sale of manufactured goods by Government officials might lead to complications. At the same time, it may be observed that the labor of these convicts directly employed by the authorities at the Central Prison produced better financial results than that of those who were leased to contractors. The main objection urged against the employment of prisoners in productive industry is that the goods made enter into competition with the products of free labor. Generally they are sold at lower prices than goods made under normal conditions; and, even when such is not the case, they are thrown upon a market fully supplied, drive honest people from employment, injure established business houses and in other ways disturb industry. John McKenna, Hamilton, testified that the number of hands employed at broom-making had largely fallen off, owing to "convict and prison labor employed at the trade." (Page 905, Ont.) "The ordinary employer cannot compete with the contractors." (Page 906.) If the prison contract were done away with the regular hands would have steady work, and a larger number would be employed. The testimony of printers, shoemakers, harness-makers and others in Montreal was pronounced against the contract system carried on at the Reformatory, under which the labor of boys was leased to contractors at 15 cents per day. (See evidence page 329.)

It has been urged that the goods made in prison must, under any circumstances, be so small as not to produce any appreciable effect upon the market. (See the testimony of Wardens Lavelle and Massie, already referred to). But it must be remembered that these disturbing goods are not distributed over the whole volume of a country's production. It must also be remembered that if a pint of water be poured into a barrel already full there will be an overflow. If 10,000 pairs of shoes be thrown on a market already supplied, the disturbance to industry and trade will unfavorably affect the whole body.

Two possible remedies for this evil may be suggested. The first is a requirement that all goods made in prisons for sale be exported, even if the prices realized in foreign countries be lower than those which might be obtained in the Dominion. It would be better to suffer that loss than to disturb Canadian trade and injure Canadian workmen, by forcing the goods on a reluctant market at home. The other proposal is to manufacture for home use goods not now produced in the Dominion. As an illustration; the manufacture of steel rails has not been undertaken in Canada, and, under existing conditions, it has not been deemed wise to foster the industry by means of protective legislation. But it might be possible, with cheap prison labor, to produce rails, and to sell them at prices no higher than are paid for imported rails delivered at Montreal. Some such manufacture would disturb no Canadian interest, would furnish employment to convicts and might be self-sustaining. It may also be found possible to employ prisoners in mining operations, provided free labor be not thereby displaced.

Economy in the use of machinery depends, to a considerable extent, upon the price of labor. Where labor is very cheap interest on the cost of the machinery, wear and tear, the price of skilled directing labor, the outlay for power, and other added expenditures, may more than balance the value of increased production. For this reason, and for the further reason that it is well to give the convicts as much knowledge of hand labor as possible, it may be wise to dispense, as far as possible, with the use of machinery in penal institutions. Warden Lavelle says: "Manual labor should be used when possible."

The main objects of punishments are two: the protection of society and the reformation of the criminal, while its deterrent effects upon persons inclined to violate the laws must not be forgotten. The cost of punishing criminals is a secondary consideration. It is wise to make convicts as nearly self-sustaining as possible, but it is not wise to so employ them as to injure men who are not criminals, their wives and their children.

G. BOIVIN,  
A. T. FREED.

(Translation.)

## APPENDIX O.

### SWEATING PROCESS.

Starvation wages and the exactions demanded from employés by masters (other than fines) exist only in exceptional cases in Canada.

These wages and these exactions, classed in England under the denomination of "sweating process," though not numerous, should be noted.

We call an exaction, for example, that act of the master who, taking advantage of his position, exacts the time of his employé without compensation. Thus, in a factory (page 971, Que.) where the workwomen were obliged to work ten hours a day, if the machinery stopped for any cause these employés were obliged to work at night, after their day's work, for a time equal to that lost by the stoppage.

But why was this? These women were bound to give ten hours to their employer; they remained ten hours at the factory ready to work, and this was the extent of their obligation. They, nevertheless, were obliged to submit to this exaction for fear of losing their means of livelihood.

The bateaux-men of Quebec (page 950) cannot procure work without they agree to do, without remuneration, work that takes them about fifteen days to accomplish, and without they consent to submit to the losses caused by the delays of loading and unloading.

This loss of time has such influence upon the wages that a good bateaux-man can only earn \$150 during the season. (Page 500, Que.)

What proves the injustice of these impositions upon the workman is that these exactions were only imposed after the association of bateaux-men had been dissolved by the men themselves, on the advice and promises of the masters. It was only when these men were no longer united, and consequently powerless, that these exactions were imposed. (Page 949 to 951, Que.)

We are justified, also, in considering these young girls who work sixty hours a week for 80 cents (that is a cent and a-third per hour) as victims of this sweating process. (Page 1137, Que.)

In like manner young girls are paid 1 cent for each sole they make, while a fine of 4 cents is imposed for each defective sole; these fines are so managed that the manufacturer makes a clear profit of 1 cent on each article condemned as defective. (Page 987, Que.)

Workmen who are obliged to pay for gas, whether they use it or not, are equally victims of the sweating process. Sewing women, milliners and saleswomen in retail stores, whose wages never vary, but whose working hours do, are among the most to be pitied of this system. The Mayor of Toronto, Mr. Howland, has described in a very touching manner the miseries endured by this interesting class of workwomen, and to his evidence we would refer our legislators. (Page 167-168, Ont.)

Another form of the sweating process, and not the least cruel, is the reducing of the wages of workmen during the winter, on the plea of there being a superabundance of workmen. This is an unjust, iniquitous and selfish application of the law of supply and demand, a law beyond the workingman's control, but to which he is bound to submit, and an application of it not always justified by facts.

Take, for instance, the case of the City Passenger Railway Company, at Quebec; the figures we give were furnished by the directors of the company. (Page 819 to 825, Que.) The company reduce their men's wages in winter. The following are the wages given in summer and winter for seven hours work:—

Summer—Drivers, \$7; hostlers, \$6; conductors, \$7.50. Winter—Drivers \$5 to \$4; hostlers, \$5; conductors, not given.

In summer conductors' and drivers' hours of work are from ten and a-half to eleven and a-half hours. Hostlers have alternate days of fourteen, nineteen and twenty-four hours work. In winter the day's work is somewhat shorter.

The company was formed with a capital of \$50,000, of which \$32,500 was in cash and the balance in paid-up shares as dividends. The dividends have been about 12 and 16 per cent. on the nominal capital, or about from 18 to 24 per cent. upon the paid-up cash capital.

The reduction of the wages of the drivers and hostlers, even including conductors, does not give a saving to the company of more than \$500 or \$600 a year, which for the last year would have reduced the dividends by 2 per cent. The shareholders would have drawn 22 per cent. on their shares.

What signifies this reduction to the company, compared with the loss of \$1 a week to the fathers of families? According to the evidence of the director of the company himself, one of these men, whose wages had been reduced and who earns but \$5 a week in winter, has a wife and two children; and of five men, whose wages are thus reduced, four are heads of families. It is right to remark that the dividend of 16 per cent. is a net profit, while they have placed, as a sinking fund for wear and tear, 4 per cent. for rails, 10 per cent. for horses and 10 per cent. for vehicles.

We doubt much if labor could maintain its strength on \$5 per week.

Many other reductions in wages, made in winter—those, for instance, in tobacco factories—are just as cruel and not more justifiable than those just cited.

Thus the City Passenger Railway of Quebec, which realizes a clear profit of 18 to 24 per cent. a year, after deducting the general and running expenses, reduces, under the pretext of the difficulty and expense of winter traffic, the wages of its employés below what is absolutely necessary for their maintenance.

The reduction of wages in winter is rarely more justifiable; consumers pay exactly the same price for goods manufactured in winter as those manufactured in summer, and this reduction, in almost all cases, is a deplorable taxing of the workman.

Few smokers or chewers, for instance, imagine that the wages of the workmen who prepared the tobacco which they use are reduced in winter by some 37½ per cent.

The "truck system," as practised in cities and villages, is but another form of the sweating process.

The Commission has also discovered another instance of the English sweating process. A foreman imposed upon his workwomen an increase of work without any increase of pay; twelve young girls refused to submit to this imposition, and left their work, and the company confiscated the wages due them, amounting to \$10 or \$15 for each workwoman. Some of these young women were re-engaged by the company, but were each obliged to pay an entrance fee of \$2. (Page 1324, Que.)

Evidence before this Commission has brought to our knowledge two strikes among workwomen, due to the unjust exactions of their foremen, and in both cases the directors of the company have sustained the foremen and confiscated the wages earned by these unfortunate girls. Some among these directors are members of the Society for the Protection of Women and Children. What justification could they offer, should they learn that among the unfortunates whom they seek to succor are some of those who, by reason of their not being paid, have been driven from their boarding houses and rendered homeless?

This mode of proceeding is, moreover, very economical; the wages are reduced, and, thanks to the law which obliges workmen by the piece to give fifteen days' notice before leaving, their wages are legally confiscated if they refuse to accept the reductions.

It is to preserve this advantage over the workmen that a number of masters and companies have established the custom of retaining part of the wages of their employés who work by the piece: they retain fifteen days' pay. The factory to which we refer retains even three weeks' pay. Since labor is subject to the exigencies of supply and demand it would be well that the workman should have any advantage to be derived from them.

When an employer has made a bargain for the execution of certain work he is

guilty of an injustice if, taking advantage of his position, he binds his workman, under penalty of the loss of wages earned, to remain in his service for fifteen days without any guarantee of work during that time.

When a workman's job is completed his bargain is finished, is at an end, and he has a right to his pay. It is absurd to contend that because this workman may have agreed to do a certain work for A, A will have the right to keep him during fifteen days in his service, even though another master, B, should offer him 10 per cent. more for his labor. This combination of payment by the piece and engagement by time, which is legally recognized in the Province of Quebec, is another form of the "sweating process."

This combination has given rise to a very reprehensible form of the sweating process. It places the time of the workman at the absolute disposal of the master, without the latter being obliged to furnish work to his employé. So true is this, that the workman working by the piece is obliged, under pain of fine, to be at the workshop at seven in the morning, though the employer is not obliged to give him work, and it often happens that the workman has to wait an hour or two before getting anything to do. The workman by the piece is obliged also to remain at the shop for hours, and sometimes days, without work and on pay-day he has to wait for his pay and to remain hours without work, the same as workmen by the day. This is an abuse that cannot be too strongly condemned. When workmen are engaged by the day they are compelled to work continuously during the working hours, and when they are engaged by the job or piece they have the right to demand continuous work or the right, at least, of leaving the shop when there is no work for them. It is true that the division of labor exacts the constant attendance of the workman at the shop, even though he is not continuously employed; but this requirement could and should be so arranged that the workman would not suffer; and the law should not in any case interfere to legalize an injustice.

Working by the piece, although in principle one of the most equitable and just methods, has yet, in certain industries, been instrumental in lowering wages, or at least of obliging the workmen to supply a greater amount of work for the same amount of pay. Workmen complain that the price of work is not calculated on the ability of the average workman, but on the ability of special workmen. Working by the piece is one of the consequences of the changes in manufactories; formerly the master was himself a workman, capable of judging whether his employés honestly earned their wages. Now-a-days the master is rarely a workman, and even when he is one the commercial requirements of his business prevent him from overseeing his factory. In large factories and with large companies the personal oversight and appreciation of the merit of the workman is an impossibility. It is this impossibility of judging of the respective merits of the workman that tends more and more to the generalization of work by the piece.

This is to be regretted, as the discussion of prices is a source of endless difficulty, and the necessity of the workman doing a certain amount of work, often beyond his ability, in order to do a fair day's work, naturally leads to the lowering of the standard of handiwork; and the divisions and sub-divisions, caused by the general practice of working by the piece, reduces the position of a workman to that of a simple machine, and of a useless machine, when some new invention improves the machinery of which he is only the complement. So voluminous was the evidence given before this Commission for and against working by the piece, but especially against it, that we are unable to cite the pages, and must, therefore, refer to the index.

From the working by the piece comes the real sweating process, and its true operator is the sub-contractor. Workmen protest strongly against the introduction of this intermediary, whom the masters have imposed on them, and whose profits are necessarily obtained from the price of their handiwork. These sub-contractors, from the workman's point of view, are unnecessary, and in any case are only necessary where the master does not understand the details of the working of his business. The masters who have given evidence on this subject have all declared that the only

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advantage pertaining to this system is that it relieves them from the supervision of their workshops, and that the sub-contractors derive their profits from the extra work which they obtain from the men.

The workmen, on their side, have shown the wrongs caused them by this system—decrease of wages, increase of work and, above all, an increase in the number of children employed.

Finally, the Commission has learned (pages 1361, 1362, Que.) of a factory where sub-contractors of twelve and fourteen years of age hire one or two children of about the same age.

The Commission has also discovered two cases where wages were discounted—that is, two cases of the most dangerous type of these exactions. A witness (page 783, Que.) declares that his master paid him in *Bons*, which he had to get discounted at a certain broker's, a friend of his master, at a discount of 5 per cent. Another witness, a foreman in a large factory, admits that he had the workmen paid only every fifteen days, although in other departments they were paid every eight days, and between the two payments he discounted the pay of the workmen.

It is sufficient to enumerate these abuses which lead inevitably to the sweating process and its attendant miseries, to induce legislation to suppress them by every legal measures possible. And the effect of the changes recommended by the Commission would certainly result in the disappearance of many of these abuses.

JULES HELBRONNER.

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