

REPORT OF THE ROYAL COMMISSION ON SHIPBUILDING IN THE PROVINCES OF QUEBEC AND ONTARIO

IN September, 1941, a commission was appointed under the Inquiries Act to conduct an investigation for the purpose of ascertaining what wages and other labour conditions should be established in certain shipbuilding plants of the province of Quebec (*LABOUR GAZETTE*, September, 1941, page 1036). Subsequently, the commission's terms of reference were extended and the scope of the investigation was enlarged to include shipbuilding plants in the

province of Ontario. Those comprising the commission were: The Honourable Senator Leon Mercier Gouin, K.C., Montreal, chairman; Vincent C. MacDonald, K.C., Dean of the Faculty of Law, Dalhousie University, Halifax; F. H. Barlow, K.C., Master of the Supreme Court of Ontario, Toronto; commissioners. The text of the Royal Commission's Report follows:—

Report of the Royal Commission

The Honourable the Minister of Labour

I. INTRODUCTORY MATTERS

Pursuant to Order in Council P.C. 6931, dated the 2nd day of September, 1941, the undersigned were appointed a Royal Commission under the provisions of Part I of the Inquiries Act, to conduct an inquiry and investigation into the following shipbuilding firms in the province of Quebec: Canadian Vickers Limited, Montreal; The Davis Shipbuilding and Repairing Company, Limited, Lauson; George T.

Davie and Sons, Lauson, and such other firms as might be designated by the Minister of Labour "for the purpose of ascertaining what wage or other labour conditions should be established, and whether or not such conditions should be uniform in the plants under inquiry, the commissioners to present their report on the matters investigated, and recommendations, to the Minister of Labour; in making their recommendations, the commissioners to have full regard to the wartime wages policy prescribed in Order in Council P.C. 7440, dated

December 16, 1940, as amended by Order in Council P.C. 4643, dated June 27, 1941."

Subsequently, however, by Order in Council P.C. 9272, dated November 27, 1941, the commissioners in making their recommendations were directed, instead, to have full regard to the wartime wages policy prescribed in Order in Council P.C. 8253, dated October 24, 1941.

Pursuant to Order in Council P.C. 7480, dated September 25, 1941, the scope of this commission was extended to include the following shipbuilding firms in the province of Ontario, engaged wholly or chiefly in war contracts, namely: Collingwood Shipyards Limited, Collingwood; Midland Shipbuilding Company, Limited, Midland; and Kingston Shipbuilding Company, Limited, Kingston.

Pursuant to the terms of the said Order in Council P.C. 6931, the Hon. Angus L. Macdonald, Acting Minister of Labour, on the 7th day of October, 1941, designated Marine Industries, Limited, of Sorel, in the province of Quebec, as coming within the scope of this commission.

Mr. Edouard G. Rinfret, of Montreal, was appointed as counsel to the commission for the hearings in the province of Quebec.

Mr. Welter F. Schroeder, K.C., of Ottawa, was appointed as counsel to the commission for the province of Ontario.

Mr. J. S. McCullagh, of Ottawa, accompanied the commission as secretary.

The following counsel appeared for the companies:—

Mr. J. Alexandre Prud'homme, K.C., Montreal, for Canadian Vickers Limited, at the Montreal hearings.

Mr. T. R. Ker, K.C., Montreal, for The Davie Shipbuilding and Repairing Company, Limited, at the Montreal and Quebec hearings.

Mr. Ross Drouin, Quebec, for George T. Davie and Sons, at the Montreal, Quebec, Sorel, Collingwood, Midland and Kingston hearings.

Mr. Lucien Beauregard, K.C., Montreal, for Marine Industries, Limited, at the Sorel hearings.

Mr. J. S. Leitch, Vice-President and General Manager of Collingwood Shipyards, Limited, presented that company's representations at Collingwood.

Mr. Howard Johnson General Manager of Midland Shipbuilding Company, Limited, presented that company's representations at Midland.

Mr. R. W. Wolvin, President of the Kingston Shipbuilding Company, Limited, presented that company's representations at Kingston.

Special representations were made on behalf of the employees, as follows:—

Mr. R. H. Haddow, of the International Association of Machinists.

Mr. W. J. Coyle, of the Metal Trades Council, at Montreal, and for the International Union of Boilermakers and Iron Shipbuilders at the Collingwood, Midland and Kingston hearings.

Mr. M. M. McLean, of the Industrial Union of Marine and Shipbuilding Workers, of Canada, at the Montreal hearing, and the Canadian Union of Boilermakers and Iron Shipbuilders, at the Quebec hearings.

Mr. A. Reith, of the International Union of Machinists, at the Collingwood, Midland and Kingston hearings.

Your commission met on the 16th day of September, 1941, at the City of Montreal, for organization purposes. After having met the President and the General Manager of Canadian Vickers, Limited, and representatives of the employees, and having inspected the shipyard and having ascertained that neither the company nor the employees were prepared to make their representations to the commission, the commission fixed Monday, the 29th day of September, for the hearings at Montreal. Your Commission then proceeded to Quebec City, where it met the General Manager and Counsel for The Davie Shipbuilding and Repairing Company, Limited, and Mr. Charles Davie, the owner of George T. Davie and Sons, and his counsel and the representatives of the employees of both companies on the 18th day of September. After having inspected the shipyards of The Davie Shipbuilding and Repairing Company, Limited, it was ascertained that neither the companies nor their employees were ready to make their representations, and the hearings at the City of Quebec were enlarged until the 6th day of October.

Your commission sat in Montreal on the 29th and 30th days of September, and on the 1st, 2nd and 3rd days of October, when briefs were submitted on behalf of the employees by the Metal Trades Council of Montreal and vicinity, by the Industrial Union of Marine and Shipbuilding Workers of Canada, by certain other groups of employees, and by Canadian Vickers, Limited.

On the 6th, 7th, 8th, 9th and 10th days of October, the commission sat at the Court House in the City of Quebec and heard the evidence adduced by the Canadian Union of Boilermakers and Iron Shipbuilders, by various employees, and by two companies—The Davie Shipbuilding and Repairing Company, Limited, and George T. Davie and Sons.

On the 14th day of October, the commission met at the City of Toronto, for a discussion of the procedure to be followed and the information to be required for its investigations of the Ontario shipyards. On the 15th and

16th days of October, and the morning of the 17th, the commission sat at the Town of Collingwood, when a brief was submitted by the Collingwood Shipyards, Limited, and evidence submitted by the company, by union officials and by a number of employees. On the afternoon of the 17th day of October, and on the 18th day of October, the commission sat at Midland, when a brief was submitted by the Midland Shipbuilding Company, Limited, and evidence submitted by the company and by union officials.

The Kingston Shipbuilding Company, Limited, and its employees, not being ready to proceed on Monday, the 20th day of October, the hearings were adjourned until the 22nd day of October, when the commission met at Kingston. A brief was submitted by the company and evidence adduced by the company, by union officials, and by various employees.

The hearings in Ontario were much expedited by the preliminary work done by Mr. Walter F. Schroeder, K.C., Commission Counsel, who, previous to the hearings, had visited the different shipyards for that purpose.

The hearings at Kingston having been completed on the 22nd day of October, and it having been ascertained that Marine Industries, Limited, and its employees would not be prepared to make their representations before the 10th day of November, the commission was compelled to adjourn until that date. Subsequently, after the chairman of the commission and Mr. Rinfret, Commission Counsel for Quebec, had attended personally on Marine Industries, Limited, at Sorel, it appeared that the hearings could not proceed until the 17th day of November.

On the 17th, 18th and 19th days of November, sittings were held in Sorel. No one appeared to make representations on behalf of the employees, though some employees testified on behalf of groups of the employees. The evidence of a large number of employees and of Mr. Ludger Simard and Mr. Arthur Simard, of Marine Industries, Limited, was taken.

The commission then adjourned until the 21st day of November. On that day and the following day it met at the new Court House in the City of Montreal, to hear argument. Argument was presented by counsel for all the companies in Quebec; by Mr. R. W. Wolvin, President of the Ontario companies investigated; by Mr. W. J. Coyle, of the International Union of Boilermakers and Iron Shipbuilders; by Mr. John W. Bruce, General Organizer of the United Association of Plumbers and Steamfitters; by Mr. Leo Dalphond, Grand Lodge Representative, French Section, International Association of Machinists; by Mr. Arthur Crawford, General Organizer of the Sheet Metal Workers' International

Association; by Mr. Fred Molyneux, General Organizer of the Brotherhood of Painters, Decorators and Paperhangers of America; by Mr. Robert H. Haddow, Grand Lodge Representative, English Section, International Association of Machinists; by Mr. Louis Guerard, Local Representative, United Association of Plumbers and Steamfitters, Local 144; by Mr. Ed. LaRose, Secretary-Treasurer, Montreal District Council, United Brotherhood of Carpenters and Joiners of America; by Mr. D. S. Lyons, Canadian Vice-President of the International Association of Machinists, all the said trade unions being affiliated with the American Federation of Labour; by Mr. M.M. McLean, of the Industrial Union of Marine and Shipbuilding Workers of Canada; by Mr. Allan C. Wright, District Director for Quebec, Steel Workers' Organizing Committee; and by counsel for the commission.

Extensive statistical information covering rates and wages, wages received, classifications, etc., was required to be filed by each of the companies prior to each of the hearings; this saved much time. In all, over one hundred persons appeared and gave evidence before the commission, and over eighty exhibits were filed.

During the intervals between the various hearings, the commissioners spent much time in collective and individual consideration of the evidence so far adduced; and upon the conclusion of the final argument in Montreal on November 22, the commissioners devoted many private sessions in that city to the review of all the evidence and the preparation and completion of this report.

II. GENERAL AND HISTORICAL MATTERS

The Commission has had constantly in mind that (in the words of the Governor General in Council) its appointment was made "with a view to ensuring harmonious and satisfactory relations between the employers and workmen, and promoting stable labour conditions in the shipbuilding industry" of the Provinces of Quebec and Ontario. Likewise, it has had constant regard to the fact that its investigations and recommendations relate to firms "occupied wholly or chiefly on work which is essential to the conduct of the War", and that their expanding activities must be carried on amidst the abnormal difficulties of a wartime economy.

The Commission was directed to make all necessary inquiries and investigations for the purpose of ascertaining:

- (a) "What wage or other labour conditions should be established"; and
- (b) "Whether or not such conditions should be uniform in the plants under inquiry."

These directions thus present two problems:—

- (a) What wages and conditions should be established in each of the seven shipyards designated;
- (b) Should wages and conditions in these shipyards be uniform.

As to each of these problems, the Commission is further directed "to have full regard to the wartime wages policy prescribed in Order in Council P.C. 8253".

Our investigations and this report relate to seven firms in two provinces, which (except for a small percentage of commercial repair work) are engaged in building ships under contracts with the Dominion Government. Up to now, these contracts have contained clauses whereby the Government absorbs additional costs to the companies created by increases in wage rates during the currency of such contracts and as to which increases the Government has consented. Under Order in Council P.C. 8253, dated October 24, 1941, these companies are prohibited from increasing the "basic scale of wage rates" paid by them at the effective date thereof, except on permission of the National War Labour Board.

It is also a relevant circumstance that the companies in question derive practically all their work from the same employer (the Dominion Government), and that that employer is able to control them in many ways. Likewise, it is relevant to note that there is available to these companies a constantly expanding demand for their services as shipbuilders, and a constant urgency for them to expedite their work and to increase their facilities. Moreover, it is a fact that these companies have reached their present stage of productivity by surmounting many difficulties of rehabilitation, construction or expansion.

The evidence shows that the shipbuilding industry in Ontario and Quebec had been in a very depressed condition since the close of the Great War. Though some repair work was done by them in the years leading to the present War, very little iron shipbuilding had been done. Canadian Vickers, Limited, at the outbreak of the War in 1939 had 278 employees. Its average number of employees for the years 1926 to 1939 inclusive, was 311; and this was only for the repair season, from March to November in each year. It is now employing 1,800 men. The Davie Shipbuilding and Repairing Company, Limited, at the outbreak of War in 1939 had from 200 to 250 employees. It now employs 1,600 men. George T. Davie and Sons had 100 employees at the outbreak of War; this firm now has from 500 to 600 employees. Marine Industries, Limited, had 313 employees at the out-

break of War; it now has 2,200 men. Collingwood Shipyards, Limited, had an average of 153 employees during the summer season for the years 1926 to 1939 inclusive. At the outbreak of War it had 58 employees, in 1936 an average of 21 employees, and in 1933 an average of 24 employees. It now has 809 employees on its payroll. Midland Shipbuilding Company, Limited, commenced operations in January, 1941, in a yard which had been closed for about thirteen years. It now has 360 employees. Kingston Shipbuilding Company, Limited, from 1926 to 1939, had only casual repair work which kept from 20 to 25 men continually employed, and had on call from 100 to 120 men, who were given a few days' work whenever it obtained a repair job. It now has 315 employees.

Throughout the whole of Canada, not more than 1,500 men were employed in the shipbuilding industry at the outbreak of the War in September, 1939. Now, more than 20,000 men are employed in our shipbuilding industry.

III. RATES AND CLASSIFICATIONS

A. *General*.—The companies investigated present an invariable characteristic in that, in each of them, wages are based on minimum rates for workmen of specified classes.

Generally speaking, the men in the various shipyards do the same kind of work on the same class of ships, under the same working conditions; nevertheless, there are differences which affect both the men and the companies. Thus, some of the yards have been, or may be, confined to ships up to the size of Corvettes, whereas others build ships of all sizes up to the standard freighter. Working conditions are much the same, except that Canadian Vickers, Limited, has covered slips, and that climatic conditions do differ in the regions from Lauzon to Midland. Some differences, also, inhere in the fact that not all of the yards are of the same degree of mechanization in point of equipment, working facilities, and details of organization.

Canadian Vickers, Limited, differs from other yards in that it operates on the same site a Boiler-making Shop and a Machine Shop for the fabrication of boilers and engines for the ships it builds; whereas, the other companies in the Province of Quebec procure such equipment chiefly from outside manufacturers.

It is to be noted that by a ruling of the Department of Labour, made on September 25, 1941, the Commission was directed to exclude from its investigations matters pertaining to the construction of marine boilers and engines, with the result that the Boiler and Machine

Shops of Canadian Vickers, Limited, are not covered by this report.

Canadian Vickers, Limited, also operates on the same site a very large aircraft industry. Marine Industries, Limited, has in close proximity to it a great armament industry in Sorel Industries, Limited. Obviously, the adjacency of such plants to the shipyards of these two companies, employing as they do many men of similar classes, has an effect on their ability to secure and retain men for shipyard work.

B. Labour Pools.—Canadian Vickers, Limited, enjoyed an initial advantage over the other companies in having available a relatively larger number of trained shipyard workers as a nucleus for wartime building. It continues to enjoy another advantage in the presence in Montreal of large numbers of skilled labour in other industries, who, when acquired, need only to be trained in the sense of *adapting* their skills to shipbuilding. In the other yards, the nucleus of trained shipbuilders was relatively lower, and has remained lower, because they lack entirely, or lack to a similar degree, a neighbouring skilled labour pool. These two facts account for the relative predominance of the trained shipworker or trained mechanic in the Montreal yard, and a similar predominance of the improver or specialist class in the other yards where the problem is one of training semi-skilled or completely unskilled men, and not so largely one of mere adaptation.

Conversely, Canadian Vickers, Limited, suffers from a greater relative loss of men, owing to the nearer proximity of other industries requiring men of the same class as it employs in its yard, and often paying higher rates. As already mentioned, this is notably true of Marine Industries, Limited, at Sorel. Of course, the yards vary greatly in the degree to which such factors affect their ability to acquire or retain the various classes of men in appropriate numbers, but to some degree these factors apply to all yards.

Again, the yards of The Davie Shipbuilding and Repairing Company, Limited, and George T. Davie and Sons, at Lauzon, are affected by the proximity of the yards of Morton Engineering and Dry Dock Company, Limited, at Lauzon and Quebec; and the yards at Collingwood, Midland and Kingston are affected by the existence in Toronto of the Dufferin Shipbuilding Company, Limited. These facts are relevant to our inquiry, though that inquiry does not embrace the Morton and Dufferin companies as such.

C. Fixation of Rates.—In dealing with the problem as to "what wage should be established", we were directed to have full regard

to the wartime wages policy prescribed in Order in Council P.C. 7440; but by a further Order in Council, P.C. 9272, dated November 27, 1941, we have since been instructed to have reference, instead, to the policy prescribed in P.C. 8253, the relevant provisions of which are contained in Section 11 thereof.

If, in the words of Section 11 of P.C. 8253, we find that "any employer's basic scale of wage rates is low as compared with rates generally prevailing for the same, or substantially similar, occupations in the locality, or in a locality which . . . is comparable", we may prescribe such increased wage rates as are "fair and reasonable".

We do so find in respect of the basic wage rates of each of the seven companies designated. We must, therefore, endeavour to ascertain what increased wage rates are "fair and reasonable".

The concept of "fair and reasonable wage rates" is so vague that it cannot be dealt with as an abstract rule, but must be regarded as a practical standard to be applied in relation to all relevant factors which enter into the establishment of proper remuneration for men doing the particular kind of work they do, in the kind of industry in which they are engaged, and living in the localities where the several shipyards are located. This relativity of facts to rates has two particular aspects of importance to us: the relativity may be as between yards and their environment, and as between men and their environment. It may be as between classes of workers in the same plant. We must consider both the external and internal factors which affect the level of rates—as between yards and as between classes of men.

D. Factors in Rates.—We have given careful consideration to the following factors, among others, which have suggested themselves or have been suggested: rates in other yards and in other localities; rates in comparable industries; the proximity of other yards and other industries drawing from the same labour pool; the migration of labour to other plants or other industries or other localities; the scarcity of fully trained or semi-trained men; the relative labour-cost of producing the same ship in different yards; the character and proximity of the source of labour supply; the character of the locality as being rural or urban; the history of particular yards and their degree of mechanization and modernity; the nature of shipbuilding work as hazardous or unhealthy or seasonal; the proximity of workers' homes to their work and their costs of transportation thereto; the effect of location and climate as affecting length of working day and working season; the kind and degree of skill possessed

by the various classes of men, and the time spent in acquiring it; and the prevailing scales of rates and how recently and by what methods they became established.

Three other factors require special mention:—

(a) In view of the depressed state of the shipbuilding industry previous to the War (as indicated earlier in this report), we accept the unanimous testimony of management, workers and Union Officials as showing conclusively that the scale of rates obtaining in the industry from 1926 to 1939 cannot be taken as a safe criterion in the fixation of wages.

(b) We have considered as factors in rate-making the rates which have been established in some of the shipyards and in neighbouring or related industries, as the result of the Reports of Conciliation Boards; but though we have tried to give such reports due weight, we have not regarded them as conclusive evidence of what are "fair and reasonable" rates at the present time in the particular yards under inquiry.

(c) Much testimony was given and many statistical compilations were presented or referred to as tending to show the actual cost of living in the localities of the various yards. It was quite properly contended that the actual cost of living in the particular locality was an important factor in the fixation of the rates for a yard there situated. It was further contended that it was relevant to consider the cost of living in other shipbuilding localities as essential to any comparison of rates in the yards of those localities.

The Commission concurs in the opinion that such matters are relevant and important factors in rate-fixation. It is given particular attention to such matters as food, clothing and fuel prices, and rentals as entering into the local cost of living. It has also made comparisons as to the costs of these elements as between localities, just as it has made comparisons in the matter of rate scales.

The Commission must record, however, the fact that the wealth of testimony and statistical data as to the actual and relative costs of living brought to our attention, provided a very uncertain (and sometimes illusory) guide to precise conclusions. We can but say that we have made such use of these types of information as seemed appropriate.

E. Uniformity of Rates.—Our Terms of Reference direct us to ascertain, *inter alia*, whether or not wage rates "should be uniform in the plants under inquiry".

As the several plants under inquiry are located at six different places in the two provinces, this problem has particular relation to uniformity as between *places* and as between *yards*.

The place element is important because locality enters into rates as conditioning the labour supply and the elements of climate and working seasons for the companies, and the cost of living and general working conditions of the workers. The yard element is important because the yards differ in history, age and equipment, and in the character of the labour with which they are manned. Both elements also play a part in producing varying systems of classifications of labour as between various localities and various yards. Accordingly, it is not possible to dissociate the problem of Uniformity of Rates from considerations peculiar to *regions*.

In view of the fact that all the yards are occupied on work "which is essential to the conduct of the War" and are building ships of similar types for the same Government, it is obviously desirable that the principle of the Uniformity of Rates should be applied so far as possible.

F. Uniformity of Classifications.—Differences of history, management and locality have produced differences in the Systems of Labour Classifications used in various yards, but as all yards are engaged in a common industry, there is a very substantial measure of Uniformity of Classification. Here, again, the problem of Uniformity has reference to *regional* factors.

Uniformity of rates must be predicated upon Uniformity of Classifications and, as both are based on factors of *region*, we must consider Uniformity of Rates in the sense of *Regional* Uniformity.

G. Regional Uniformity.—When we speak of Regional Uniformity or of Zones, we refer to the fact that we have regarded the companies in a particular area as a unit, for the purpose of establishing principles of Classification and Rate Fixing. But though we have selected this general basis, we have provided for such variations in Classifications and Rates as the conditions and practices in the various yards seemed to require.

Re Ontario.—The three Ontario yards investigated, though separately incorporated, are under the same management and operate under practically identical Rates and Classifications. They are situated in places which, though varying in size *inter se*, are far smaller than Toronto, wherein is situate the Dufferin Shipbuilding Company, Limited, which is their chief competitor for labour. All three places are alike in that they must

draw their labour supply largely from their own immediate localities. They may well be regarded as being in the same zone in matters of Rates and Classifications. They cannot be regarded as being in the same zone as Toronto, in relation to such matters.

Accordingly, we have adopted the principle of Regional Uniformity as regards these three companies, and have sought to secure uniformity between them in Rates and Classifications, and as large a measure of identity of Rates and Classifications as possible.

Re Quebec.—The situation in Quebec is similar to that in Ontario as regards the place-element in that one yard, Canadian Vickers, Limited, is situated in a place far larger than any of the others, whilst those others are situated in two relatively rural localities. This difference of locality produces entirely different situations as to the character and number of the labour pool as between the Montreal yard on the one hand, and the Lauzon and Sorel yards on the other. The same regional factor also produces a similar difference in the scale of Rates and the Classification of Labour.

The yards at Lauzon and Sorel are alike in that they draw their labour from their immediate localities and that their labour pools are of the same nature in that they consist largely of unskilled labour with a relatively small number of semi-skilled men, and a still smaller number of skilled shipbuilders. This has necessitated the training of men in entirely new skills to a much greater degree than in Montreal.

It was conceded that the proper operation of the shipbuilding industry requires the progression of workers from indentured apprenticeships to journeyman or mechanic class. Nevertheless, the needs of wartime production have required a progression from helper to learner or improver to journeyman class, and indeed the creation of men (called specialists) midway between improvers and journeymen in that their skills are confined to certain specialized operations. The Improver-Learner-Specialist class is a relatively large and vital class in production under present conditions. This class of worker is found in every yard, under varying descriptions: thus, for example, in Canadian Vickers, Limited, there is a learner-helper class, but there is also a subdivision of most of the classes of workers wherein category "B" is, roughly, equivalent to the Improver-Learner-Specialist class referred to above.

All four yards are affected by the necessity of wartime production; but the three rural yards have had to deviate from the normal and traditional labour set-up more than has the yard at Montreal. (Something

will be said later about the establishment of a proper apprenticeship system, but for present purposes the apprentice strictly so-called may be disregarded as an important factor.)

The point here relevant is that the yard situated in the metropolitan and highly industrialized City of Montreal cannot be regarded as being in the same zone as the other yards situated in rural localities; and that though a considerable degree of Uniformity of Classification can be established as between all four yards, yet the three rural yards cannot be regarded as in the same zone as to both Rates and Classifications.

Accordingly, we have adopted the principle of regional Uniformity of Rates and Classifications as regards the three yards at Lauzon and Sorel.

H. Uniformity of Classification:—As to Ontario, the principle of uniformity has translated itself into practical identity of classification in the three rural yards.

As to Quebec, the principle of uniformity has yielded a practical identity of classification in all four yards, though local differences of practice and organization must be recognized to some extent.

I. Zones Recommended:—In the result, applying the principle of the desirability of Uniformity of Rates and Classifications, we recommend the establishment of the following regional zones:—

QUEBEC

A. Metropolitan Zone:—

Comprised of Montreal, and including Canadian Vickers, Limited.

B. Rural Zone:—

Comprising Lauzon and Sorel; and including The Davie Shipbuilding and Repairing Company, Limited, George T. Davie and Sons, and Marine Industries Limited.

ONTARIO

Rural Zone:—

Comprising Collingwood, Midland and Kingston; and including Collingwood shipyards, Limited, Midland Shipbuilding Company, Limited, and Kingston Shipbuilding Company, Limited.

(It is not within our Terms of Reference to say anything about Toronto as a zone, but, as above indicated, we have regarded Toronto as being in a different zone from the three relatively rural places above included.)

J. Rates and Classifications Recommended:—Upon full consideration of all factors indicated in this report, we recommend that there be established for the various shipyards within the scope of our Terms of Reference, the

Scales of Wages and Classifications of Labour set out in Schedules A, B and C to this report.

The rates referred to in such schedules are the basic *minimum* rates for the respective classes. The fixation of such minimum rates is not intended to preclude promotion of men from lower to higher classes, nor to prevent advances in pay to individuals beyond the basic minimum rate for their particular classes. (See *infra*).

K. Cost-of-Living Bonus:—We recommend that the Government of Canada do proceed at once to review the extent to which the Wartime Cost-of-Living Bonus has heretofore been paid to the employees of the several yards under inquiry, in order that employees of all such yards may be put upon a footing of complete equality in this regard.

IV. WORKING CONDITIONS AND MISCELLANEOUS MATTERS

A. Re-Classification and Promotion of Workers:—Related to the question of Rates and Classification of Workers discussed above, and also related to the general topic of "harmonious relations between employers and workmen," is the matter of the system whereby men are promoted to higher classifications and advanced in pay within their classifications.

This is particularly important in the shipbuilding industry, because the depressed condition of that industry at the outbreak of the war and the rapidity with which it has expanded recently, have caused the introduction into the industry of many workers requiring varying degrees of training before they can find a proper place in the recognized shipbuilding categories. Necessarily, such men must first be placed provisionally in particular classes until they have demonstrated their capacity, or acquired the skill necessary, for a higher classification.

In all the yards, this business of classifying men and advancing them within classifications is done by the company officials—usually by the yard superintendent, upon recommendation of the foreman or other departmental head concerned. This practice is probably the proper one in the present situation. Not all officials, however, act upon the same principles, nor do all of them act with the same promptitude. We regard it as of the utmost importance that demonstrated capacity or improvement in productive ability should be recognized promptly, and men advanced in class or rewarded by extra payments over the minimum rate for their classification. We think the existing practice in this regard should be supplemented by a provision for the review of the whole labour personnel of each yard at fixed periods.

We recommend, therefore, that in each yard the superintendent and departmental heads and foremen, and a representative of the Dominion Department of Labour, shall meet every three months and proceed to consider the classification of each employee and the amount of his remuneration, and the advisability of promoting him to a higher classification, or of increasing his current remuneration. This recommendation does not, of course, preclude such reclassification or increases in individual remuneration at other times.

The establishment of this procedure for the review of classifications and remuneration will, in our view, serve to give a greater measure of justice in individual cases, will promote general contentment and the development of initiative, and thus speed up production.

B. Grievances:—The fact that many grievances of varying kinds were presented to us—though they relate chiefly to relatively minor matters—suggests the desirability of there being in every yard some kind of a grievance procedure, by which remedies could be sought for grievances—real or imagined.

In order to promote harmonious labour relations and to expedite production, we recommend that there be constituted in every yard—where no such body now exists—a Grievance Committee selected by the workmen. Such committee should be recognized as the proper medium for investigating the grievance of any workman and presenting same on his behalf to the foreman directly concerned, and thereafter to the proper departmental heads, or to the management.

C. Overtime:—We recommend the adoption in all the yards of a forty-eight-hour week.

We recommend, also, that overtime work shall be paid for at the rate of one and one-half hours for every hour over the regular working time.

We recommend, also, in the interests of wartime production, that overtime shall be calculated by reference to the regular working week in each yard, and not by reference to the regular working day.

We recommend, also, that excessive overtime work should be avoided, so far as is practicable. Work beyond the regular working day makes for fatigue and inefficiency and, if such overtime work is continued for a period of days, the elements of fatigue and inefficiency increase to a point which retard rather than facilitate production. We recommend, accordingly, that apart from highly exceptional circumstances, an employee be neither required nor permitted to work extra hours in excess of twenty per cent of the regular working week.

D. Labour Relations and Personnel Officer.
—In view of the expanding nature of the

shipbuilding industry and the large number of classes of workmen, and the large percentage of semi-skilled or unskilled labour employed therein, it is essential that there be in every yard a special official charged with the duty of ascertaining individual fitness for particular work.

In view of the necessity of ensuring the largest possible measure of understanding between employers and employees in every yard in this increasingly important industry which operates under emergency conditions, there should be in each yard a special official charged with the duty of promoting improved relations between employers and employees.

Accordingly, we recommend that each Company be required to engage a Personnel and Labour Relations Officer, or Officers, to discharge the duties above indicated.

E. Safety and Health Measures.—Many representations were made to us concerning the necessity of proper provision being made in every yard for the prevention of accidents and the establishment of sanitary conditions to safeguard the health of the employees. In various of the yards the provisions so far made for these purposes leave much to be desired. It is but fair to say, however, that most of the companies recognized the necessity of improving such provisions and expressed their desire to do so as soon as possible.

We concur in thinking that there is a real necessity for immediate steps being taken in the way of better safety and health measures. Accordingly, we recommend that the Dominion Department of Labour endeavour, at once, to arrange a better co-ordination of effort between Dominion Departments concerned with ship production and the several Provincial Departments concerned with the safety and health of shipyard workers. (See, generally, Order in Council P.C. 2685, Clause 4.)

F. Apprenticeship.—Apprenticeship, as the term is known in the industry, involves the employment of boys under articles of indenture for a period of four or five years, at a graduated rate of pay, during which they are trained in a rotation of operations until they have acquired the skill of a journeyman.

No such system presently exists to any extent in the shipyards under inquiry. This is the case because the depressed condition of the industry at the beginning of the War, and the urgency for production since then, have not permitted the proper training of apprentices as prospective journeymen. Rather, there has grown up a reliance upon a more specialized training of adults as Improvers or Learners or Specialists.

In view of the present situation of urgency in the industry and the deviations from

normal practices now in existence in the shipyards, we do not feel we can usefully recommend anything as to an Apprenticeship System.

It is to be noted, however, that in many of the yards—notably in that of Marine Industries, Limited, at Sorel—many boys are employed as Apprentices or Labourers or Learner-Improvers, and their rates will be found under those designations.

In any view we believe that the inauguration and development of an Apprenticeship System in the shipyards is more properly the concern of competent Provincial authorities as a matter of vocational education.

G. Miscellaneous.—At various of our hearings we have been invited to recommend the principles of Union Recognition and of Union Shops; we do not feel, however, that these matters are within our Terms of Reference.

We were also invited to recommend the adoption of draft agreements dealing with employer-employee relations in great detail. We feel, however, that such details are more properly a subject for negotiation between the companies and the representatives of the men in the particular yards at a particular time. Accordingly, we make no recommendations on these matters, as we have sought throughout this Report to direct attention to matters of general principle.

It may be advisable to mention that there are companies engaged in iron shipbuilding in Quebec and Ontario other than the seven companies named in our Terms of Reference; as, for example, Morton Engineering and Dry Docks, Limited, in the Province of Quebec, and Dufferin Shipbuilding Company, Limited, and Port Arthur Shipbuilding Company, Limited, and others, in the Province of Ontario.

We wish to acknowledge the co-operation we have received during the course of our investigations from the officials of the various companies and their Counsel, and from the representatives of the various Unions.

We wish, also, to express our appreciation of the valuable assistance afforded to us by the Counsel to the Commission, Mr. Walter F. Schroeder, K.C., of Ottawa, and Mr. Edouard G. Rinfret of Montreal, and to Mr. J. S. McCullagh, the Commission Secretary.

All of which is respectfully submitted.

(Sgd.) L. M. Gouin,
Chairman.

(Sgd.) Vincent C. MacDonald,
Commissioner.

(Sgd.) F. H. Barlow,
Commissioner.

MONTREAL, November 28, 1941.