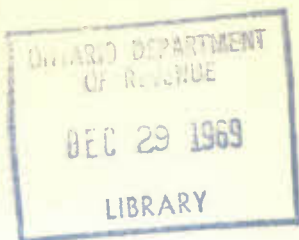


LIBRARIAN'S  
COPY

# National Conference on Labour - Management Relations

*Ottawa, March 21-22, 1967*

*convened by the  
Economic Council of Canada*





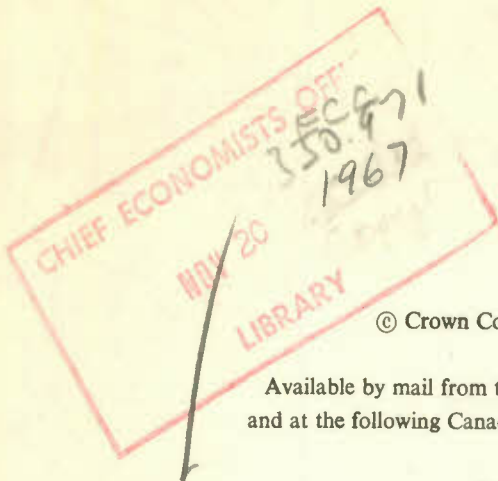
NATIONAL CONFERENCE  
ON  
LABOUR-MANAGEMENT RELATIONS

Ottawa, Canada

March 21-22, 1967



Convened by  
Economic Council of Canada



© Crown Copyrights reserved

Available by mail from the Queen's Printer, Ottawa,  
and at the following Canadian Government bookshops:

HALIFAX  
*1735 Barrington Street*

MONTREAL  
*Aterna-Vie Building, 1182 St. Catherine St. West*

OTTAWA  
*Daly Building, Corner Mackenzie and Rideau*

TORONTO  
*221 Yonge Street*

WINNIPEG  
*Mall Center Bldg., 499 Portage Avenue*

VANCOUVER  
*657 Granville Street*

or through your bookseller

Price \$2.00

Catalogue No. EC 22-367 ✓

*Price subject to change without notice*

ROGER DUHAMEL, F.R.S.C.  
Queen's Printer and Controller of Stationery  
Ottawa, Canada

Reprinted 1967





# TABLE OF CONTENTS

	PAGE
INTRODUCTION AND SUMMATION	v
<u>PART I</u>	1
<u>"LABOUR-MANAGEMENT RELATIONS AND THE CANADIAN ECONOMY"</u>	
Opening Address by John J. Deutsch	3
Commentary by William Dodge	29
Commentary by T. N. Beaupré	37
Speech by the Honourable Jean Marchand, Minister of Manpower and Immigration	41
Speech by the Honourable John R. Nicholson, Minister of Labour	53
A Declaration by the Economic Council of Canada: <u>"MANPOWER ADJUSTMENTS TO TECHNO-     LOGICAL AND OTHER CHANGE"</u>	61
Commentary by Gérard Filion	75
Commentary by Larry Sefton	81
Speech by Tom Kent on Government Policies and Programmes Relating to Manpower Adjustment Problems	89
A Declaration by the Economic Council of Canada: <u>"TOWARDS BETTER COMMUNICATIONS     BETWEEN LABOUR AND MANAGEMENT"</u>	105
Commentary by Louis Laberge	115
Commentary by W. T. Wilson	119

	PAGE
<u>PART II</u>	133
<u>BACKGROUND PAPERS FOR CONFERENCE</u>	133
A Summary of "Canadian Labour Relations in an Era of Technological Change", by Jean-Réal Cardin	135
A Summary of "Manpower Planning in Industry", by B. A. Keys and H. H. Wright	137
"Selected Measures to Facilitate Manpower Adjustment to Technological and Other Change"	139
"Proposed Measures to Facilitate Manpower Adjustment to Technological and Other Change - Nine Selected Case Studies", by G. K. Cowan	173
"Government Policies and Programmes Re- lating to Manpower Adjustment Problems"	230
"Some European Experiences in Labour- Management Communications"	254
<u>PART III</u>	286
PROGRAMME OF THE CONFERENCE	288
LIST OF WORKING GROUP CHAIRMEN AND RAPPORTEURS	292
LIST OF PARTICIPANTS	294

## INTRODUCTION AND SUMMATION

The Economic Council of Canada convened its Second National Conference on Labour-Management Relations in Ottawa on March 21 and 22, 1967. The Conference was asked in particular to focus its attention on two important problem areas in the field of labour-management relations in Canada:

- how to deal effectively and equitably with manpower adjustment problems arising from technological and other change;
- how to improve communications so as to get a better exchange of information and views both between and within labour and management.

In the months preceding the Conference the Economic Council had prepared and published a Declaration on each of these problem areas setting out its views and recommendations. The text of these documents are reproduced in this report. These two Declarations were circulated in advance to the participants, and served as a basis for discussion at the Conference. They represent a consensus of the Economic Council of Canada whose members are drawn from labour and management as well as from other private sectors of the economy. The Declarations incorporate broad principles and approaches which are recommended to labour and management for general application. The detailed procedures for implementing these principles and approaches will, of course, vary from enterprise to enterprise.

The problems of adjustment to technological and other change, particularly in their manpower implications, have become of major importance in

a modern industrialized country like Canada. The Council's Declaration recognizes that technological change is essential for the achievement of Canada's economic and social goals of full employment, a high rate of economic growth and rising standards of living. Obstacles to technological change would only prevent the achievement of such goals. At the same time the Declaration stresses the fact that technological change can have serious effects on individuals and groups of workers through job dislocation. Since society as a whole benefits from the fruits of technological change, society has an obligation to prevent individuals from becoming victims of such change.

The role of employers, of trade unions and of governments in facilitating manpower adjustments is set out in the Council's Declaration. Each has an important role to play in co-operation with the others. Indeed, the highest degree of co-operation of the three parties may be indispensable in resolving major adjustment problems. In the first place, government has an important role in maintaining full employment conditions without which the best manpower adjustment measures would be of little avail. In addition, the use of effective public manpower programmes, in conjunction with adjustment measures of the two private parties, may be of the utmost importance in assisting adjustments.

Manpower adjustment problems may occur at any time and are often complex. They cannot always be foreseen at the time collective bargaining takes place. Furthermore, the collective bargaining period, which is relatively short and is often marked by a crisis atmosphere, may not be suitable for resolving such problems. The need for forward manpower planning is a prerequisite for coping with impending adjustment problems, and the Declaration

recommends, therefore, the introduction of joint labour-management committees functioning on a continuous basis to facilitate both manpower planning and the implementation of manpower adjustment measures.

The Declaration then sets out a range of methods of adjustment to change, including advance notice of change, attrition, the use of transfers, improved seniority rules, training and retraining, portability of pension rights. In cases where such methods cannot solve an adjustment problem, i.e., where separation from the firm is the only alternative, financial measures are suggested in the Declaration.

The effective solution of manpower adjustment problems rests, in the first instance, on good communication and consultation between labour and management at the plant level. The Council's Declaration on Communications is an attempt to promote better communication and consultation. It declares, for example, that "the development of an effective system of regular communication and consultation between labour and management within the plant or company is necessary for employee satisfaction on the job, greater plant efficiency and productivity, and an improvement in labour-management relations". The main instrument for implementing regular communication and consultation would be joint consultation committees operating on a continuing basis. Such committees, if properly set up with well-qualified labour and management representatives, could provide an effective two-way exchange of information, ideas and opinions.

The Economic Council believes that the lack of effective communications has created problems and grievances between the two parties which could



have been avoided. This has led to needless industrial strife which has hurt the interests of the parties concerned and of the general public as well. Industrial unrest and misunderstandings resulting from a lack of effective communications, rather than from real and legitimate collective bargaining issues, have often and seriously undermined labour-management relations and made collective bargaining more difficult.

At the same time, however, the Council in proposing this Declaration is under no illusions concerning the formidable difficulties involved in bringing about more effective communications between the two parties. Notwithstanding the difficult problems in this area, problems which sometimes appear overwhelming, the Council feels that the time has come for the two parties to try to grapple more effectively with these problems that impede good communications. There is no magic formula which can wipe out these difficulties. As the Declaration emphasizes, the mere setting up of joint labour-management committees at the plant or company level will not in itself ensure more effective communications. If joint committees are to be successful, both labour and management representatives on these committees must be capable of dealing intelligently with objective information in the interest of everyone involved in the firm.

Over 200 persons participated in the Conference, comprising a widely representative group of business and labour leaders from across Canada, as well as governmental authorities and industrial relations specialists from industry, labour and universities. Background papers were made available to participants before the Conference, and included material on selected measures to facilitate manpower adjustments, case studies illustrating the actual implementation of such measures, the results of a survey on manpower planning in industry, and material on government

policies and programmes relating to manpower adjustment problems. These papers are reproduced as an appendix to this report.

The Council had also asked Professor Jean-Réal Cardin, Director of the Department of Industrial Relations at Université Laval, to survey the state of Canadian labour relations to see how they could contribute more effectively to manpower adjustments to technological and other kinds of change in industry. This study was distributed to participants in advance of the Conference, and was subsequently published by the Council.

\* \* \* \* \*

The Conference was not asked to endorse the Council's Declarations on manpower adjustments to technological change and on communications. Rather the purpose of the Conference was to seek a broader agreement on the principles and approaches set out in these documents. From the discussion at the Conference, it would appear that such broad agreement was achieved in considerable measure. There were, however, a number of reservations expressed on certain aspects of these documents, and suggestions made as to how they might be improved. It must be emphasized that the points mentioned in the summation that follows do not necessarily reflect the views of any individual participant.

Certain participants suggested that legislation should be enacted requiring employers to give advance notice of technological or administrative changes affecting manpower needs. There was also discussion as to whether there should be legislation making it compulsory for the parties to negotiate on adjustment measures, and some went so far as to suggest that

there should be legislation making it mandatory for the parties to negotiate over change itself. Some felt that it might be desirable to provide for some form of sanction, such as arbitration, in the event that an employer refuses to co-operate or agree to proposed adjustment measures. Many took the position, however, that the Council's "Declaration on Manpower Adjustments to Technological and Other Change" was an "appeal to responsibility", i.e., an appeal to responsible people in industry and labour. While they felt that voluntary co-operation of the private parties in making manpower adjustments was preferable to compulsory legislation, they also felt that government intervention was a strong possibility if the private parties failed in this task.

There was considerable discussion on the difficulties involved in making satisfactory adjustments at the local labour and management level. It was pointed out that frequently agreement is reached at a high level only to be "shipwrecked" at the plant management and local union level. Some raised the question of possible adjustment problems posed by a threat to the existence of a union, which may fight for survival and thereby frustrate attempted adjustment measures. Some doubts were expressed as to whether adequate manpower adjustment measures would be undertaken in firms consisting of unorganized workers or in firms which are either too small or too irresponsible to engage in manpower planning and adjustment measures. One suggestion was that there should be careful selection and training of responsible local labour and management leaders to ensure effective implementation of adjustment measures. It was further suggested that the Economic Council might conduct studies to examine the factors that either contribute to or hinder satisfactory efforts to improve adjustment procedures in a variety of situations.



With regard to the Council's Declaration, "Towards Better Communications Between Labour and Management", it was generally agreed that how joint consultation committees function must depend on the circumstances which prevail in the various plants. It was suggested, furthermore, that in many cases existing plant committees might accomplish the objectives set out in the Council's Declaration without the need for setting up new committees. Some discussion arose over the jurisdiction of the proposed joint committees, with particular reference to how effective their contribution to communications would be if they are prevented from discussing matters which relate to the administration of the collective agreement. Although there is nothing in the Council's Declaration which suggests that joint consultation committees should prevent or limit direct communication between management and employees, management representatives wanted it made clearer that these committees would not limit management's right to communicate directly with its employees.

Some appeared to feel that there is a major problem in giving an employee who works on a repetitive job any sense of involvement or interest either in his job or in the firm irrespective of what progress may be made in developing an effective communications system. It was suggested that this is a serious problem which needs careful investigation if the objectives in the Council's Declaration are to be achieved. It was also suggested that the Economic Council undertake a study to determine what conditions must obtain at the plant level for ensuring effective and creative communication between labour and management.

There seemed to be general agreement that this kind of Conference should be repeated and perhaps repeated more often than in the past in order to make greater progress in dealing with difficult problem areas in labour-management relations in Canada.

PART I

LABOUR-MANAGEMENT RELATIONS  
AND  
THE CANADIAN ECONOMY

Opening Address

by

John J. Deutsch, Chairman,  
Economic Council of Canada

I wish to extend a sincere word of welcome to the representatives of governments, labour and management who have come to attend this second National Labour-Management Conference sponsored by the Economic Council. At the first Conference which was held in November 1964 it was agreed that further conferences should be organized and that such conferences should consider and try to come to grips with specific and timely issues affecting labour-management relations.

The Economic Council has organized this second National Labour-Management Conference to do precisely this. We have two specific subjects on the programme which we believe to be of vital importance in labour-management relations at the present time. It is hoped that our discussion of these issues during the next two days will make a useful and practical contribution. These issues are: manpower adjustments to technological and other change, and ways and means to improve communications within and between labour and management. The Council has published a document on each of these issues entitled: "A Declaration on Manpower Adjustments to Technological and Other Change", and "Towards Better Communications between Labour and Management". These documents contain specific and concrete proposals and are recommended for your consideration and as a basis for discussion.

I think that it will be agreed that the subjects of our Conference will have an important influence, in one way or another, on the future of collective bargaining in our country. Because of this, I should like, first of all, to place these matters in perspective and to make a few remarks on the role of collective bargaining in our society, and the contributions which it can make to the achievement of our economic and social goals. Over the last few decades, the collective bargaining process has evolved into one of the most important institutions

of our society. Many thousands of economic decisions are made through this process -- decisions which determine in a pervasive way the working of our economic and social system. The essential feature of collective bargaining is that it is essentially a free and democratic way by which the two private parties -- labour and management -- arrive at these decisions.

In our form of society, the institution of collective bargaining performs three main functions wherever it is applied: (a) it is a procedure for determining the amount and form of compensation of workers and the division of the economic pie; (b) it is a method to establish, change and administer the rules and duties of the work place; and (c) it is a system for the peaceful settlement of a great many issues and disputes during the period of collective agreements. These are extremely important matters in the life of the community which must be dealt with somehow. Of course, these matters can be decided in other ways. They can be decided by management alone, by labour alone, or by government edict and regulation.

The free institution of collective bargaining as practised in this country is a highly decentralized system of decision-making in which hundreds of private groups on both sides, and many thousands of individuals, take part in determining matters of vital interest to themselves. Such a decentralized system which seeks to reconcile the interests, hopes and fears of a large number of private groups is not likely to operate completely smoothly at all times. It is the essence of freedom that there will be disagreements, frictions and even strife. There are those who would seek to avoid all such "untidiness" by handing over the task of decision-making to the all-powerful state to rule by decree and to suppress dissension. There are some who would try to make life simpler and easier in this way.



Imperfect as the collective bargaining process may at times appear to be, and in spite of the severe strains which are sometimes placed upon it, it is clearly evident that labour and management generally prefer to arrive at settlements and to solve their mutual problems themselves, rather than have solutions imposed upon them by governments. However, the maintenance of a large measure of freedom in bargaining, places obligations on the private parties concerned. It must be pointed out that these obligations are increased every time we raise the sights on our economic and social goals. Unnecessary strife and deadlocks can impose severe hardships on third parties and on the community generally. This calls for an active concern at all times over how the institution of free collective bargaining can be made to work sufficiently well to avoid serious breakdowns in labour-management relations -- breakdowns which inevitably put governments under pressure to intervene with the compulsive power of the state.

In order that collective bargaining may work adequately, it is essential, of course, that the two parties recognize each other's proper role. But much more than this is needed -- there must be the necessary skills, information and understanding. One commentary on processes of collective bargaining puts it this way:

"It may well be that the rough exchange, the give and take of negotiation too often yields untidy, inexact, and uncertain answers; but these imperfections are the price we pay for the freedom of bargaining and the equality of all parties at the conference table. Yet, behind the seeming untidiness, negotiation requires skills. Demands and counterdemands must be prepared with some idea as to their realism and practicality. Relevant information must be assembled. The scaling down of unreasonable demands must be persuasively presented in recognition of the rights of all

parties. Finally, strategy and tactics must be developed to deploy power toward reaching desired goals by way of settlements that will facilitate accommodation among the negotiators. "1 /

At the present time, the institution of collective bargaining, like many other human institutions, is confronted with the task of adjusting and adapting to a number of far-reaching changes in our society. The processes of collective bargaining are being strongly affected by such basic developments as:

- the rapid pace of technological progress in many parts of the economy;
- the rising levels of education, the information explosion and the increasing speed of communication;
- the dramatic urbanization of our population;
- the growing importance of the younger age groups and women in the working force;
- the occupational shifts arising out of advances in the standards of living;
- and the increasing size of many economic units.

The crucial question which some people are asking today is whether the collective bargaining process can adapt itself to these rapid changes which are pervading all of society. In more specific terms, is the

---

<sup>1</sup>/ Sylvia and Benjamin Selekman, Power and Morality in a Business Society (New York: McGraw-Hill, 1956), pp. 155-56.

institution sufficiently flexible to cope with the many and complex problems which are arising daily? There are some who believe that collective bargaining cannot achieve the necessary flexibility to keep pace with change, especially change arising out of the advances of science and technology, nor can it achieve the necessary maturity and responsibility to minimize unnecessary industrial strife and unrest in the face of the intricate problems which are now being posed. They would argue that the trend must be towards more and more government control and regulation. Clearly the answer has to be sought in these two questions:

- how ready are both management and labour to take up the challenge of trying to cope with the requirements of change through a system of free discussion and bargaining?
- and how much effort are the two parties prepared to make to keep themselves continuously informed of each other's problems, attitudes and interests?

The Report of the recent U. S. National Commission on Technology, Automation and Economic Progress said this about an important aspect of these questions:

"Despite its many successes, collective bargaining has often failed, and sometimes has failed spectacularly, to deal effectively or even responsibly with the management of change. It has been argued, not unreasonably, that the failures are the fault of the parties, not of the system. (Underlining mine.)

"Procedurally, the process of collective bargaining on basic issues has tended to stagnate during the life of the agreement and to accelerate frantically in an atmosphere of crisis immediately preceding contract renewal. Happily, employers and unions in a number



of industries are abandoning this pattern in favour of more or less continuous discussion. Basic issues such as adjustment to technological change cannot be resolved, however, by a small team of negotiators working themselves into a state of physical and mental exhaustion for a few months every two or three years. These issues must be dealt with patiently, carefully, and above all, continuously, until satisfactory solutions emerge. This kind of bargaining calls for ability of the highest caliber on the part of leaders of both labour and management. "1/"

I believe that the vitality and integrity of the collective bargaining system can be maintained so long as both parties are responsive and willing to be creative in adjusting to new circumstances. This does not mean that we expect that the two parties will find some magic formula to resolve all of their differences and that we will see an end to all strikes and frictions. No person who believes in a free collective bargaining system would suggest that all strikes and lock-outs can be done away with where real and legitimate issues are involved. What it does mean is that new and "creative" approaches in labour-management relations must be developed if needless industrial strife which adversely affects both parties, as well as the general public, is to be minimized. Our concern is to find improvements and new approaches which will make the institution of free collective bargaining work better, with the least amount of friction in this era of accelerating change. That is the purpose of this Conference. The Economic Council is putting before you certain proposals and suggestions which are addressed to some of the most basic issues which must be faced today.

---

1/ Technology and the American Economy, Report of the National Commission on Technology, Automation and Economic Progress, Vol. 1, February 1966, pp. 65-66.

If new approaches in labour-management relations are to be developed, nothing is more important than that both management and labour adjust their attitudes towards one another in the light of present realities. Workers are better educated today than they were a generation ago, and they are more conscious, through better communications media, of what is going on around them. Their expectations for knowledge, for information and consultation, concerning their working environment, have greatly increased. Some old management attitudes which may have been acceptable to a less-educated labour force may today be the cause of unnecessary and foolish conflicts. One half of the population and one quarter of the labour force is now under 25 years of age. The growing importance of youth and rising levels of education are having significant effects on institutional structures, on attitudes and on social relations in many areas of present-day life. It is not to be expected that these virile forces of change can be held immobile outside the gates of the citadel of collective bargaining.

Needless to say, the same developments are affecting the operations of unions and their arrangements. The most imaginative joint labour-management institutional framework at the plant level will prove of little use if union representatives refuse to accept the need for adjustment and adaptation. Some union structures and rules, which may have been appropriate under past conditions, may now have to undergo modifications to bring them in line with changing circumstances. Failure to do so may impose stagnation, decline of efficiency and losses on everyone concerned.

Of course, the problems involved in accepting and making adjustments to change must not be minimized or dismissed casually. It is inherent in social institutions to resist change which can have short-run or temporary inconveniences and difficulties. The objective should be to ensure that change is brought about in an orderly way and in a manner which involves an equitable sharing of sacrifices and benefits.

The philosopher, Alfred North Whitehead, once observed that, "Vigorous societies harbour a certain extravagance of objectives...." Here in Canada we place heavy demands on our economy, and especially on its capacity to produce. We want and need a rapid expansion in numbers of jobs; we want a continuously rising standard of living; we want an equitable distribution of rising incomes and the elimination of poverty; we want improved levels of education, culture and social welfare; and we want to help the poorer nations of the world. We want to do all this, and more, while at the same time keeping ourselves solvent internationally and avoiding inflation at home. Clearly, we cannot do all these things unless we increase significantly the efficiency of our industries and the productivity of our work. Everyone's work must yield more. That means that we cannot keep on doing things the way we have done them in the past. Obviously, there can be no improvement from static methods; there have to be changes -- changes from less-efficient to more-efficient ways, from falling markets to expanding markets, from shrinking occupations to growing occupations, from old equipment to more and better equipment. Above all, we must make effective use of the greatest new possibilities of our age -- the exploding increase in knowledge, skills and technology. Our ability to make good use of these powerful engines of change for the common welfare will in large measure determine what we will accomplish in the future. There can be no doubt that the new scientific revolution is the single most dominant factor in today's society, and there is no escape from its enormous influence. Our only choice is to deal with it wisely by seizing opportunities, or foolishly by trying to stop the clock.

In recent years there has been a great deal of discussion and debate about the economic and social effects of technological change -- sometimes called automation. We keep hearing from time to time dire warnings that in the not-too-distant future a very small percentage of our labour force will be able to produce



all the goods and services to satisfy everybody's needs, and that we must start preparing to convert from a work-oriented to a workless society. These hair-raising forecasts are never supported by responsible economic analysis. On the other hand, careful and serious research, which has done much to shed light on the manpower implications of technological change, does not seem to attract the same attention.

The National Commission on Technology, Automation and Economic Progress, to which I have already referred, was specifically directed to inquire into the impact of technological and economic change on production and employment, including new job requirements and the major types of worker displacement, both technological and economic, which are likely to occur during the next ten years in the United States. It is one of the most comprehensive inquiries ever undertaken into changing technology and its possible manpower implications. The Report of this Commission states:

"It has become almost a commonplace that the world is experiencing a scientific and technological revolution. Stock phrases -- knowledge explosion, second industrial revolution, automation revolution -- express this belief. According to one extreme view, the world -- or at least the United States -- is on the verge of a glut of productivity sufficient to make our economic institutions and the notion of gainful employment obsolete. We dissent from this view. We believe that the evidence does not support it, and that it diverts attention from the real problems of our country and the world. However, we also dissent from the other extreme view of complacency that denies the existence of serious social and economic problems

related to the impact of technological change."<sup>1/</sup>

The pace of change in industrial technology has undoubtedly accelerated and will probably continue to increase rapidly in the years ahead. This is the conclusion which many people, including the members of the U.S. Commission, have drawn. One of the implications that is frequently developed from such a set of circumstances is that large numbers of workers will consequently be displaced as a result of the introduction of new and more efficient machinery and better organization of production -- with the further implication that there will necessarily be an accompanying tremendous rise in the volume of output per employed person. Does the historical record support such a conclusion? The answer would seem to be that the acceleration in the pace of technological change is contributing significantly to improvements in productivity but has not brought about any sudden or drastic changes in the economy as a whole. For example, in the United States, output per man-hour in the private economy increased by about 2 per cent per year in the 35 years before the end of the Second World War. This period included, of course, the depression decade of the 1930's which was a period of low productivity. Between 1947 and 1965, productivity rose at about 3.2 per cent a year. While this may look like a fairly sharp increase, the fact is that a considerable part of it can be attributed to greatly improved methods of production in agriculture. In the nonagricultural part of the economy, the rate of increase was only about 2.5 per cent per year. This increase in the recent trend rate of productivity can hardly justify the conclusion that technological change in the world's most advanced industrial country has had anything like a dramatic impact on output per worker.

---

<sup>1/</sup> Technology and the American Economy, Report of the National Commission on Technology, Automation and Economic Progress, Vol. 1, February 1966, p. 1.

Much of the confusion over the impact of technological change on employment stems from the post-1957 period when unemployment, for the first time in the post-war years, emerged as a serious problem in both Canada and the United States. Because this period coincided with the quickening pace in technological change, some people in both countries blamed technological progress and automation for mounting unemployment. Technology and automation became in some quarters the victims of a witch hunt, especially by those who were unable to see the real villain behind the unemployment. However, careful studies conducted by the Economic Council of Canada and others have clearly demonstrated beyond any doubt that the major cause of unemployment in the 1958-63 period was lack of general demand. In other words, the rate of increase in demand and economic growth fell off sharply relative to the first decade following the end of the war. The growth rate had slowed down because of developments abroad and deficiencies in general demand policies at home. This slow rate of growth could not generate sufficient jobs to match the increases of our labour force, and to accommodate the needs of those who became displaced in the labour market for whatever the reason might be. In the past several years, the pace of technological change has increased, if anything, but unemployment has fallen to the lowest level in ten years. In spite of an extraordinarily large increase in the labour force, we have encountered during the past year shortages in many categories of manpower. The explanation for this is quite simple. The slack in our economy has been taken up by the elimination of the over-all deficiency in the general demand for goods and services.

In spite of this recent experience, there still appears to be a good deal of misunderstanding concerning the relationship between technological change and unemployment. On this crucial point, I should like to quote again from the Commission's Report referred to above, because what it has to say applies equally to the Canadian situation.

"We believe that the general level of unemployment must be distinguished from the displacement of particular workers at particular times and places, if the relation between technological change and unemployment is to be clearly understood. The persistence of a high general level of unemployment in the (late 1950's)...was not the result of accelerated technological progress. Its cause was interaction between rising productivity, labor force growth, and an inadequate growth of aggregate demand.... Technological change, on the other hand, has been a major factor in the displacement and temporary unemployment of particular workers. Thus technological change (along with other forms of economic change) is an important determinant of the precise places, industries, and people affected by unemployment. But the general level of demand for goods and services is by far the most important factor determining how many are affected, how long they stay unemployed, and how hard it is for new entrants to the labor market to find jobs. The basic fact is that technology eliminates jobs, not work (underscoring mine). It is the continuous obligation of economic policy to match increases in productive potential with increases in purchasing power and demand. Otherwise the potential created by technical progress runs to waste in idle capacity, unemployment, and deprivation."<sup>1/</sup>

The important point, as noted above, is that while technology may eliminate jobs by rendering specific occupations or even industries obsolete -- a

---

<sup>1/</sup> Technology and the American Economy, Report of the National Commission on Technology, Automation and Economic Progress, Vol. 1, February 1966, p. 9.



process which has been going on since the Industrial Revolution -- it does not eliminate work. If there are not sufficient opportunities for work in general to match the available supply of labour, the blame lies not with technology but with inadequate economic policies, or adverse conditions outside our country over which we may have no control. How can there be a shortage of work in this country when there is so much to do; to develop so many empty spaces, to rebuild our cities, to provide sufficient housing, to clean up our rivers, to enhance our cultural and intellectual life? Clearly, there need not be any shortage of work for a long time to come, even if we get a lot more automation than we have now.

Mr. Olsson, the Director General of the National Employment Board in Sweden, has, I think, sorted out the real issues in this basic question in his remarks:

"The debate on the rapid progress of technology still ranges between gloomy pessimism as to the fate of the workers and light-hearted optimism about a new and better world; yet we know that technical development is not a calamity and need not cause unemployment if the link between this development and the employment market is controlled by the right means. . . . unemployment is not caused by automation itself; it arises from the failure of some countries to maintain full-time activity for their whole working force. Not to introduce automation, in the hope of avoiding unemployment, is no solution. After all, automation is not introduced to cause trouble, or because an undertaking wants redundancy for its own sake; an undertaking usually automates because of urgent economic necessity, because it must do so in order to survive. Technical development and full employment



go hand in hand to the advantage of both, because technical development, by increasing output and raising standards, creates new needs, new demands for manpower. But this applies only in a full employment society; and to create and retain full employment is an economic not a technical problem...its creation is precisely a problem of political economy which the community is responsible for solving. <sup>1/</sup>

In this connection, we must be clear about what we mean by full employment. In particular, it does not mean that a man must always work at the same work place, in the same plant, in the same company, in the same industry. This sort of approach to full employment in the kind of world we now live in is a process of self-delusion and self-inflicted harm.

While advancing technology is not likely by itself to do away with work, it may do away with particular jobs, with particular occupations and perhaps even with particular industries. These consequences can impose severe hardships on certain groups and on individual workers. There is a definite responsibility on the institutions of society to deal adequately and equitably with the human consequences of change which bring benefits to the community as a whole. A part of the responsibility falls quite properly on the whole community, namely the State. Over the past several years, the Economic Council has devoted a good deal of time to studying and recommending the sort of comprehensive manpower policies which are now needed in Canada. Later in this programme,

---

<sup>1/</sup> B. Olsson, "Employment Policy in Sweden", International Labour Review, Vol. LXXXVIII, No. 5, May 1963, pp. 5-6.

Mr. Kent will outline to us the substantial progress which is being made to implement government policies and programmes relating to manpower adjustment problems. However, a part, and quite an important part, of the responsibility falls on the parties most directly concerned, namely management and labour.

These two parties have the direct task of carrying out society's work and of implementing the necessary and desirable changes. The question which arises is, are the institutions of labour-management relations ready to cope with these problems? More particularly, is the institution of free collective bargaining prepared to take up the challenge of dealing adequately with both the technical and the human problems of rapid change -- or must it all be left to the largesse, the regulation, or perhaps even the dictates of the state? I am afraid that is the question. How can we best organize the vast juggernaut of material progress so that it does not dehumanize both the world of work and the human personality? How can we best achieve an equitable distribution of the gains and sacrifices?

The Economic Council's Declaration on Manpower Adjustments to Change contains concrete proposals and suggestions as to how labour-management institutions and collective bargaining could go about dealing with these vital matters.

The Declaration describes a range of adjustment measures and procedures which are already being applied successfully in a number of important cases. They are not new or hare-brained inventions. The specific application of these measures must, of course, be left to the private parties in any particular enterprise. The exact detail in which they are applied and the exact manner in which they are incorporated into collective agreements are matters for joint labour-management discussion and agreement in each particular instance. Clearly, these must be

adapted to individual circumstances and to the wishes of the two parties in individual cases. The principles proposed, rest on two fundamental and related needs. The first is the need for basic economic, fiscal and monetary policies designed to achieve and maintain adequate levels of over-all demand for goods and services in the economy. It is not just a matter of employing the maximum possible number of potential employees at some work or other: it is the much larger need for providing adequate opportunities for employment in the most productive work of which they are capable. The second need on which the Declaration is based is for more careful forward manpower planning in both the public and the private sectors of the economy. On the one hand, if technological and other changes are to be able to proceed smoothly and rapidly, with a minimum of dislocations and displacements, employers and employees must seek to obtain as much information as possible on the manpower implications of future trends and needs. In addition, if educational authorities are to be able to adapt their programmes to the developing manpower needs of the economy, they must have as much advance knowledge as possible of the kinds of manpower which are going to be required in the future and of how and where these requirements are likely to develop.

In the text of the Declaration, the Council makes it clear that all of the proposals outlined depend not just on the existence of an active high-employment policy, but on the public expectation that such a policy will continue to be applied in the future. "Without these conditions", the document points out, "it would be difficult if not virtually impossible -- even with the best of adjustment measures -- for labour and management to effectively assist employees displaced by technological and other innovations." An emphasis on both current and future full-employment policies is essential, because if labour-management co-operation in the carrying out of manpower adjustments

is to be fully achieved there must be a reasonable guarantee that displaced employees will not become and remain unemployed directly as a result of technological or industrial change.

The adjustment measures which must be devised to meet particular situations are, of course, mainly the responsibility of management and labour. This particular responsibility does not relieve government of its responsibility for the implementation and active application of labour market policies, as the Declaration points out. But "the increasing availability of and improvements in public labour market programmes through the new Canada Manpower Division of the Federal Department of Manpower and Immigration, and provincial government programmes, should considerably reduce adjustment burdens on the private parties". Against the background of adequate public policies, it becomes the task of labour and management to devise particular means of dealing with particular adjustment problems. Several specific techniques are discussed in the Declaration which should, if implemented, accomplish two objects. The first is an easing of adjustment problems in particular situations. The second is an improvement in labour-management relations generally.

The Declaration envisions much of the forward planning of manpower adjustments to particular problems of change being undertaken by joint labour-management committees. Such committees, functioning not just during the typical bargaining period, but on a year-round basis, could serve as an extension or broadening of the usual scope of collective bargaining. They would be representative of the bargaining parties, though they might include additional members and seek the advice of experts in their role of devising flexible procedures for facilitating adjustment to change.



A number of particular techniques and procedures are discussed in the Declaration. Of these, the first and one of the most important is advance notice of change to eliminate the element of surprise, which often brings fear and hostility. The Declaration specifies a minimum notice period of three months where changes of significance are to occur. Since, in practice, a firm's investment and production plans are made considerably in advance of their implementation, the average period of notice might well be longer to ensure that joint bodies had ample time to plan and implement adjustment programmes to facilitate change and to ease the burden of transition and dislocation on individual employees. Advance notice should also be given to the appropriate public authorities where public programmes, such as training, retraining, or mobility assistance, are likely to be needed.

"One of the proven methods of adjustment to change", and one which clearly illustrates the need for advance notice and forward manpower planning, "is that of attrition -- that is, allowing voluntary separations, normal retirements and deaths to reduce the work force before a change takes place". Combined with early retirement, where this is practical, attrition allows the work force to be reduced gradually either in advance of a change or during a period of change, thereby reducing the likelihood of layoffs occurring once the change takes place. Attrition is an obvious method, but it requires a concrete forward plan and specific forward programming.

In a quite similar way, layoffs can be avoided by arranging for workers to transfer from one area of a plant to another, or in the case of a multiplant firm, from one plant to another. One of the barriers to this type of mobility is likely to be the existing seniority practices within the plant or firm, particularly where more than one union is involved.

Extensions or enlargements of seniority should be worked out, incorporating some form of plant-wide seniority where this is feasible, and allowing for inter-plant transfers in the case of multiplant enterprises.

Any relocation of workers is likely to involve training or retraining programmes which may need to be worked out well in advance by labour and management in co-operation with public authorities. Adequate counselling measures should be developed, partly to inform employees of the existence of various training programmes, but also to develop an awareness on the part of the individual worker of the usefulness of such programmes of training and education to both his present and future interests.

An additional measure, related to the others and an integral part of co-ordinated manpower planning, is the portability of pension rights. Unfortunately, pensions often tend to reduce labour mobility, particularly where an employee has built up a large but unclaimable equity. One means, indeed the most effective, is a substantial degree of "vesting" of both employee and employer contributions to pension funds, especially if the equity is in the form of deferred pension. In a complementary fashion, the broadening of private pension plans to a multiplant or even to an industry basis will allow for increased employee mobility at least within the firm or industry concerned.

There will be some cases in which these measures may not suffice, cases in which some employees will be displaced from their present employment relationship altogether. In such cases, various financial measures need to be developed to lessen the impact of separation and to help cover the transition period between jobs. One such provision is severance pay which, in order to be useful, needs to be substantial enough to carry a worker displaced from the firm until he can find alternative employment.

As the Declaration points out, there will need to be effective counselling in the use of severance pay. A related measure is some form of supplementary unemployment benefits. These differ from severance pay in that, rather than being a lump-sum payment, they are usually paid out on a regular basis and are scaled to the public programme of unemployment insurance. The recently amended programme of mobility allowances, provided under federal legislation, serves as an additional financial provision and will take some of the financial burden off the private parties. This should be particularly welcome in the case of smaller firms. It will be necessary, however, for labour and management to consider public mobility allowances in their adjustment plans and to ensure that workers are adequately counselled on the availability and use of these allowances.

It is clear, if detailed human matters of this kind are to be satisfactorily dealt with within the framework of free collective bargaining, that there has to be a great amount of better communication and understanding between the two parties.

This subject of communications within and between labour and management is on our agenda and will be discussed tomorrow morning. As a basis for discussion, the Council has prepared a Statement entitled, "Towards Better Communications between Labour and Management". The Statement contains definite proposals on the principles, attitudes and procedures that should be adopted by labour and management to achieve better communications and consultation through a regular two-way flow of information and views between the two parties. It suggests among other things a larger approach towards joint consultation committees at the plant or company level. It makes specific suggestions on the kinds of information that should be made available to these committees and on the steps to be taken so that the results of the committees' deliberations are effectively reported to everyone involved in the firm.



These arrangements should not interfere with the collective bargaining system, but should assist and supplement it. But the mere setting up of joint labour-management committees in itself will not automatically guarantee more effective communications. We have had all kinds of joint committees in the past which have done far too little, if anything, to promote better communications and better labour-management relations. It is now necessary to go far beyond what has been tried or accomplished to date by most joint committees. However, and this cannot be emphasized too strongly, if joint consultation committees of the kind envisaged in this Statement are to be successful, both labour and management representatives on these committees must be capable of dealing competently and responsibly with objective information concerning the enterprise and its place in the economy. Of course, this raises tremendous questions -- questions regarding information, understanding, attitudes and education. Professor Johnston, in his comprehensive study of Collective Bargaining in Sweden, comes to this conclusion regarding Swedish experience:

"A great deal of the undoubted Swedish success in seeking to progress through discussion must be ascribed to a healthy respect for education. If the education manifested itself only at the level of the LO and SAF leaders and their research staffs there would be an obvious danger that an elite of technocrats would come to dominate collective bargaining. The emphasis on skilled manpower at the LO, SAF, and union levels of activity is of course remarkable in itself, and undoubtedly an eye-opener in an international context.

"But in fact the emphasis on education is broadly based. The articulateness



of trade unionists, for example, is impressive, but no accident. The informed discussion and evolution of policy stem from a large investment in education on both sides at all levels of labour market activity. This is perhaps the fundamental key to Swedish success in moulding a collective bargaining system that is heavily collectivized, yet flexible and responsive to new ideas from all levels and sources. Here, surely, lies the value of Swedish experience. <sup>11/</sup>

The achievement of better education requires real and special efforts. The Council's Statement makes some concrete suggestions as to what labour and management might themselves try to accomplish. They will cost both time and money. We need more and better information and more research. I am hopeful that the work being undertaken by the Woods Task Force on labour legislation will make an important contribution in these areas.

We are under no illusions about the formidable difficulties involved in bringing about more effective communications between the two parties at the present stage of labour-management relations in Canada. However, notwithstanding such difficulties, the time has surely come for both labour and management to come to grips with the real problems that impede good communications. Nothing is more certain than that the basis of better understanding between labour and management is an effective system of communication and consultation.

---

<sup>1/</sup> T. L. Johnston, Collective Bargaining in Sweden (London: George Allen & Unwin Ltd., 1962), p. 342.

The growing need for better communications, information and consultation, at the level of the plant, undoubtedly results in part from the fact that the average worker of today is becoming better informed. As a result of the mass media, he is more conscious of the economic and social factors which affect the environment in which he lives and works. He has a greater need to understand, and to participate in some useful way, in the decisions which affect directly his personal interests and his future. This is a basic and significant social change of our times and if we fail to recognize it we will do so at considerable cost.

The lack of adequate communications has unquestionably led to unnecessary industrial unrest and conflict, which have not only undermined labour-management relations, but have often tended to create in the public mind a bad image of industrial relations. Conflict over legitimate collective bargaining issues is natural and inevitable in a free system of industrial relations; but conflict which arises from poor communications, inadequate information and lack of understanding serves the interests of neither party, and least of all the general public.

In its terms of reference, the Economic Council is directed to "foster and promote... the maintenance of good human relations in industry", and "to encourage maximum consultation and co-operation between labour and management...." We have invited you to come to this Conference to help us carry out this mandate. The Council has placed before you some ideas and some proposals as to how we might try to cope with a number of the most urgent and important problems of labour-management relations in our country today. I hope very much that your comments, your concrete suggestions, and your discussions over the next two days will enable us to make real progress in dealing constructively with the great forces of

change which confront us. Let me leave with you some thoughts expressed by Mr. Mesthene, the director of the Harvard University Program on Technology and Society:

"Technology...has come of age, not merely as technical capability, but as a social phenomenon. We have the power to create new possibilities and the will to do so. By creating new possibilities, we give ourselves more choices. With more choices, we have more opportunities. With more opportunities, we can have more freedom, and with more freedom, we can be more human.... The malaise of our age...is that our power increases faster than our ability to understand it and to use it well. But that surely is a challenge to be wise, not an invitation to despair."

COMMENTARY

by

William Dodge, Executive Vice-President,  
Canadian Labour Congress



Participants at the conference have a great deal of documentation before them. We shall find out in due course whether or not there is agreement on all the statements these documents contain and the proposals they offer. As one of the first discussants, I am at a disadvantage. I have not had the opportunity of seeing in advance the presentation I am to discuss.

Knowing that to try to outguess Dr. Deutsch is a risky business, I decided to wait until we have heard his remarks before attempting any detailed comments.

However, I do have a few general comments I would like to make.

One of the documents, the one entitled "Towards Better Communications Between Labour and Management", contains a statement which I have lifted right out of context. The statement in question is as follows (it is in Paragraph 2 on Page 5):

"There is, and will continue to be, a natural conflict of interests between labour and management in bargaining over wages. It is the purpose of collective bargaining to resolve this issue".

I know this has been said before; in fact, I've said it myself many times. But I have a feeling it is an important admission from a public body such as the Economic Council. It is characteristic of governmental or quasi-governmental agencies to subscribe to what I refer to as the "ol' buddy" theory of labour-management relations, which holds that the interests of labour and management are identical in all respects.

I suggest that any consideration of the matter of Labour-Management Relations and the Canadian Economy must assign a very important role to the collective bargaining process. That role is peculiar

to the type of mixed economy which prevails in the western developed countries in this period.

In the days before free collective bargaining had gained a measure of acceptance, the employer enjoyed unlimited power to dictate the rates of pay and the working conditions applying to his employees. Backing him all the way was the power of the state.

This authoritarian combination of state and industry not only imposed a particularly vicious form of slavery upon the employees of industry, it also contributed to economic and social decay.

The answer to this state of affairs in the minds of many workers was the collectivist society in which the private employer was eliminated and the state alone became the employer. In countries where this philosophy was embraced, the workers found they had come full circle. The employer, using the same weapons as before, again makes the decisions unilaterally. Unions exist, but they do so only in so far as they remain under the control of the state and permit themselves to be instruments of state policy. Collective bargaining as we understand it is, of course, not relevant in such a relationship.

Free collective bargaining is, obviously, a phenomenon of the mixed economy and a democratic society.

It is the method by which the sharing of income between the factors of production recognized in classical economic theory is achieved.

Unions represent one of those factors -- labour -- and it is their job to see that labour gets a fair and reasonable return. Management also represents a factor of production -- capital -- and is responsible for obtaining a reasonable return on investment.

There is therefore an obvious area of conflict. This conflict is fundamental to the determination of incomes in a free economy, and it cannot be resolved at any point in time except through free collective bargaining.

There is the question of the wider application of collective bargaining decisions -- how they affect our trading position, our balance of payments, prices, productivity, and general economic stability. And, of course, that brings us to a question discussed in some detail in the recent report of the Economic Council -- incomes policy -- which does not refer to wages, but to the incomes of all the factors of production.

It is time for management and labour to come to an understanding about this matter. I agree with the Council's position on incomes policy -- and I think a great deal of what is said about guide lines in the context of our present industrial structure is nonsense.

We can agree that productivity is an important factor in incomes determination, but until someone can make it possible for complete and accurate data on productivity in the plant and across the economy to be available on every bargaining table, the judgment and the economic strength of the bargainers will have to continue to serve as the key factor in decision making.

We have no adequate statistics on productivity at the present time which would justify the statements made recently to the effect that wage increases are exceeding productivity gains. Very little material is available on productivity in various industries and when we consider the economy as a whole it must be remembered that productivity cannot be based upon the performance of the individual worker. A high rate of productivity depends upon the rate of investment, the degree of rationalization of industry, the

efficiency of management, the efficient utilization of the labour force as a whole, the educational facilities available and other factors.

Even by these rough rules, the fact of productivity has had a pervasive influence at bargaining sessions. Ability to pay is a dominant consideration. Companies survive the settlements arrived at and continue to prosper. And in the long run, wage increases tend not to exceed productivity increases, a fact which is supported by our strong competitive position in the field of external trade.

To those who yearn for greater control and, in particular, for an incomes policy, I would say that I agree with the Economic Council that few of the conditions necessary for the development of an incomes policy are present in Canada and are not likely to be present in the foreseeable future.

At the same time, I suggest management and labour can reach a much better understanding of the relationship between incomes and productivity, and develop some instruments for the measurement of productivity. It is possible for us to agree upon a general economic programme which will make adjustment to the requirements of productivity criteria easy and efficient. Much of the resistance to technological change by workers is the result of the general sense of insecurity which prevails because we have failed to reach understandings in these areas.

Labour recognizes in change the possibility of improvement, of rising standards of living, more leisure, greater cultural development, an opportunity for our country to play a larger part in lifting up the underprivileged peoples of other lands. We shall try to exert both our economic and political influence in this direction.



Negatively, we shall use our strength to prevent the current of change from being diverted towards the concentrating of economic power in the hands of any one sector of the Canadian community. No single group in the community is responsible for the fantastic gains being made on the production front, and no single group must be permitted to establish a disproportionate claim upon the proceeds.

COMMENTARY

by

T. N. Beaupré, Chairman and President

Domtar Limited

"I would like to talk briefly about the sanctity of collective agreements. Collective agreements are as much contracts as any other kind of contract. When a company makes a contract with another company or person it must hold to the contract or it can be taken to court by due processes of law.

We feel that the union must be held to the same condition for collective agreements. Unions must find a means of avoiding illegal work stoppages. Unions must be made legally accountable for fulfilling the details of the contract which they have signed or which their union leaders have signed. Employees or unions who do not live up to the agreement should be brought to account just as a company is brought to account for its failure.

To accomplish this it will be necessary for union leaders to look carefully at one of their problems which we can recognize as a difficult one. Unions at all levels must become empowered to commit their membership to agreements which they sign. The difficulty is that the union leaders' job is a political job. He must be elected each time his term of office is finished. Therefore, he has a very precarious relationship with his people. A president of a company on the other hand who would be responsible for signing an agreement with unions for the company cannot be called elected in exactly the same way. He may be elected by the Board of Directors but you can be sure that this is a very cut and dried affair. And when he signs a contract he can do it with the full weight of responsibility. Union leaders must examine this political problem and find some solution to it if we are ever going to have full responsibility on the union side.

I would like to talk for a moment about the subject of parity and productivity. Parity of wages between and within the different provinces or regions of Canada and particularly parity of wages with the

U. S. A. cannot seriously be considered unless it is accompanied, even preceded, by parity in competitive advantage.

There is another important matter to consider under the subject of productivity. The attitude of workers can make a great deal of difference to the productivity of a company. One major stumbling block to proper work attitude exists in the present method used by unions in bargaining for wages for the workers they represent. Negotiated wages today are based on an average level of wage. This forces a highly skilled and highly productive man to receive exactly the same wage as a poorly motivated and lazy workman. If we could find a way of rewarding workers for their extra skill and their extra diligence on the job this could be the incentive for greatly improved productivity. And at the same time it would bring back to the work place a sense of human dignity."



SPEECH

by

The Honourable Jean Marchand,  
Minister of Manpower and Immigration

I wish first to congratulate the Economic Council of Canada for its invaluable contribution to our collective thought in the economic field. Through both its reviews and its studies based on objective research, the Council has brought to the Canadian people not only information essential to the knowledge of our environment, but also a whole body of analysis which sparked reforms and changes of approach in both the private and the public sectors of our economy.

Many persons would have wished the Council to act more directly and with greater authority. But, under the Act by which it was established, the Council was not given the means of intervention required to meet the desires of these people. And I think it was better so. Besides, your Council has not requested more powers in the area of policy implementation. It even has refused to stand surety for the Government by giving it advices on specific public policies, for fear of political involvement.

I personally do not regret the limitations which have been imposed upon the Council or which the Council has chosen to impose upon itself. Should its role be changed in the future? I do not intend to discuss that point tonight, because the answer depends too much on the future behaviour of private institutions and Government. In other words, the interventionist nature of our policies is directly related to the attitudes of the private sector and of the Government itself towards public interest. To the extent that these attitudes are, or not, consistent with the public interest, our policies will be more or less interventionist. Then, we shall know if the Council should be given a new orientation or if we should set up, outside the Council, one or more bodies with different terms of reference.

If our present system is any good, we must assume that the great majority of those responsible for our economic activity will voluntarily submit to the requirements of the public interest, once that interest has been clearly defined.

### Definition of public interest

Of course, the first and major difficulty lies in a proper definition of the public interest. The temptation is very strong to mistake one's own interests for the general interest. Theoretically, Government is responsible for suggesting to the citizens the ways and means of achieving maximum welfare. However, as our present economic system was bred out of suspicion about Government, it is not easy to gain acceptance of Government's views, though there has been considerable progress in that regard.

This is where your Council is of priceless value to our country. Because of its nature, representativeness and objectivity, its studies and reports are of such a weight that they compel attention and can even weaken resistances. The simple fact of defining public interest in concrete and rational terms has a dynamic value that cannot be ignored.

It is because this force has been underestimated and the effectiveness of certain interventionist policies overestimated that some countries are now faced with difficulties.

### Inadequacy of the definition of public interest

I have no intention of trying to convince you that given a simple, clear and exact definition of national goals, the Government, companies and unions will automatically follow a path leading surely

and systematically to the promotion of public interest. With all due respect for the Council, I must say that because of the very fluid nature of the subject matter upon which it is working, there will always be place for legitimate divergence of opinions. But these diverging opinions cannot escape the influence of a body such as yours, presenting such characteristics of objectivity and realism.

To mention a sector with which I am particularly familiar, I willingly admit that your Council has exerted an influence not only on the establishment, but also on the orientation of my Department. Our adult training and manpower mobility programmes have been largely inspired by your reports and studies. I dare not list all the various policies that we have borrowed from you, for fear of losing the illusion of having found something by ourselves.

The definition of objectives has therefore an intrinsic value. When objectives have been defined, they can be either accepted or rejected by the public, the companies and the institutions. If they are accepted, all that private enterprise requires is general guidance and, then, our policies must be based on the least possible degree of intervention. If they are rejected, then we have the opposite situation. Of course, in between lie a whole range of intermediate possibilities leading to varied and weighted solutions, and here I use the word "weighted" in a statistical sense.

### Structural obstacles

In view of Mr. Cardin's study, I need not go into the details of the structures of the labour movement and of management organization in Canada. These structures are inadequate to meet the needs of a modern economy.



Our labour movement has been, and remains to a great extent, a system of contestation which, for various reasons beyond its control, has not been able to develop an institutional co-operation with management and Government. On the management side, we find no structures that really correspond to those of the labour movement, and this absence of parallel structures makes relations between the two parties very difficult if not impossible. Therefore, communications between management and labour are sporadic and not likely to give any worthwhile results. The real decision centres are located at the industry and, more generally, at the company level, while in most cases, union federations have nothing more than a moral authority over their affiliated organizations. The Collective agreement is still the principal means by which relationships between workers and employers are determined. But with continued changes, more and more problems arise which cannot be settled by collective agreement, even though collective agreement still is, and will continue to be, the main instrument in labour-management relations.

As concerns matters which somehow are beyond the scope of collective bargaining, it must be admitted that present trade organization structures are inadequate and should be redesigned.

Clearly, the labour movement cannot establish co-operation procedures unless like efforts are made by management and Government.

Before concluding these preliminary remarks, I must say that it would be unhealthy for Canada to adopt, without any change, American structures and approaches. Conditions in Canada differ from those in the United States to such an extent that we must find our own solutions to our problems and not try to import approaches and attitudes that may be quite proper south of the border but would be of little or no avail in our particular context.

## Technological change and manpower adjustments

I would like to turn now to the topic that has been before your conference today, the problems of manpower adjustments in response to technological change. It is too large a topic for half a speech. However, the organizers of the conference were very kind. The Deputy Minister of the Department spoke to you this afternoon, so he and I have been able to divide the subject between us.

Mr. Kent described how we are trying to meet the federal government's responsibility to help in manpower adjustment. We have a long way to go in creating adequate services, but with your help we will do it.

Tonight, however, I want to try to grasp the nettle that Mr. Kent left for me; is it part of the task of the State at this time to provide a new legislative framework for labour-management action on manpower adjustment?

I need hardly tell you that we were tempted to try to avoid this question. But in view of the discussion that has lately centred round the Freedman report, we decided that such an evasion would be cowardly.

It is necessary to begin, however, by reminding you that my views are directly related to only one tenth of the problem; that is to say, to industries under federal jurisdiction. It is important to remember that the Departments of Labour of both most populated provinces, of Ontario and Quebec, have responsibility for industrial relations affecting considerably more people than are within this field of federal responsibility.

Nevertheless, our role is important and I want frankly to express my personal views about it.

First, I would hope we can all agree that a sound legislative framework for labour-management action is one that provides for a great deal of flexibility. What is required for effective manpower adjustments to technological change varies greatly from plant to plant and situation to situation.

Whatever legislation there is, it should not impose rigid patterns either as to the kind of solution to adjustment problems that labour and management find, or as to how they go about finding it.

This is another way of saying that the role of government, in relation to manpower adjustments in industry, is to provide services to management and labour in their efforts to work things out. The government role is not to play big brother.

My thinking on this point assumes, of course, that there is a labour-management partnership. And partnership has to start with people talking to each other, with both knowing the problem.

This is the one point on which I do not think we need to allow for any flexibility. Management should give advance notice of any sizeable technological innovation or other major change in production methods. That is essential to an effective adjustment program in the plant, and it is essential to effective use of the services of my Department.

Moreover, what is needed is notice of a pretty specific kind -- not just that there is going to be a change, but who will be affected when and how; and as a practical matter the length of the notice must, I think, be at least the three months that the Economic Council has suggested as a minimum.

I fully recognize that, if we were legislating this requirement of notice, there would be difficult problems of definition, as to exactly what kind and extent of change it applies to and exactly how specific the notice has to be. But there are those problems in most worthwhile pieces of legislation. I do not think that they should deter us.

To legislate a notice period is not the same thing, formally, as legislating that there must be consultation. But, of course, that is its effect and its point. The value of the notice-period approach is that it leaves the form of the consultation to management and workers to handle, according to the infinite variety of situations that they are best acquainted with.

However, that in turn leaves another issue for public policy. What should happen if the consultation fails to produce mutually acceptable ways for the plant to make its manpower adjustments?

Mr. Justice Freedman, in his penetrating and in many ways admirable report, has suggested, in effect, that the consultation must be directed to formal agreement, and if that is not achieved certain definite procedures should follow. There would be arbitration as to the significance of the change. And if it were found to cause a material change in working conditions, management would be required to postpone it until a new collective agreement is negotiated.

I must say that, while I fully sympathize with the motives that produce such a suggestion, I am not happy about it. I am afraid that it puts the union in a false position.



We must hope and expect that the practical result of notice and consultation is usually going to be understanding and acceptance of a reasonable plan of manpower adjustments. But understanding and acceptance are one thing. Formal agreement by representatives of the workers is another matter.

I can imagine many circumstances in which, if the issue had to be formalized, the union could not take the positive step of agreeing. For that would be asking the workers to do more than accept the manpower adjustments, as a reasonable way of handling the situation that the technological change creates. The formal agreement would have the appearance, at least, of involving the workers in endorsing management's decision about the technological change itself.

I am doubtful whether that is fair. We can ask workers as a whole to recognize the benefits of technological change in general. But that is very different from asking the workers affected by a particular change to vote for it.

It therefore seems to me that the practical effect of Mr. Justice Freedman's proposal might be, in a significant number of cases, that a manpower adjustment program that is in itself quite acceptable -- given the technological change -- would nevertheless not be formally agreed to. And therefore the change itself would be delayed at least until the next open period provided in the collective agreement.

Some people tend to regard that as the ultimate evil. I would not go that far. There are plenty of other big evils too. But certainly it is far from ideal.

If we want to make all the economic and social progress we can, if we want to have the highest possible levels of employment and welfare, we must accept technological change, respond quickly to it, use it to our general advantage. The policy objective is to see that we change without people being hurt by it. That is the point of manpower policy. We are failing in our job if we have to put restraints on the introduction and implementation of technological change.

I would therefore hope that we can do better than to require formal agreement and, in its absence, delay.

I say this while feeling as strongly as anyone that consultation will not mean much unless there is a right of redress if the results of consultation are quite unacceptable to the workers.

For this purpose, however, I would prefer to consider a procedure whereby, if the manpower adjustments decided on are unacceptable to the workers, there would be what would amount to a right of appeal to an arbitrator. But the appeal would not be on whether the change should be postponed. The arbitrator's terms of reference would be to decide whether the manpower adjustments to the technological change involved a change in working conditions so material that the existing collective agreement should in fairness be regarded as invalidated.

That is to say, the change would not be delayed to the next open period but the open period would be brought forward to follow closely on the change, if it was substantial enough.

I am sure you can all see difficulties about this. I assure you that I can. Let me emphasize that I am deliberately thinking out loud, because there is a problem here that we have to come to grips with and we can expect to find the right solution only by frank discussion.

The things of which I feel certain are that we must not try to slow down change but we must humanize it; in this day and age that means management must be willing genuinely to consult with its workers as to how the manpower adjustments to change can best be made; and the clearly essential condition of consultation is a notice period.

Whether that is all that is needed depends to a large extent on the influence that can be exercised by conferences and discussions such as this. I do not think that governments should rush into new legislation if adequate consultation develops without it.

But we must be clear that consultation is becoming essential. If we fail to develop it, then our implementation of new technology will be slowed down and the development of our human resources will not proceed as it should. That is the danger. The challenge is that, if we do learn to consult effectively in industry, nothing will make a greater contribution to the high achievements that we all seek in our country.

SPEECH

by

The Honourable John R. Nicholson

Minister of Labour

This morning you are here for a frank discussion about necessary improvements in Labour-Management communications -- a discussion as to what improvements are needed to promote the effective operation of industrial relations under the pressures of modern technological and social change. As your Minister of Labour, I propose to limit my remarks to the role that my Department is developing in this important area.

As you know, the Federal Department of Labour is charged with the administration of labour legislation in Canada that is national in scope. Much of the legal machinery in this field is good and has served us well, but undoubtedly at least some of it needs to be updated to meet the altered circumstances of modern collective bargaining.

The Government has recognized this need for updating for some time. A recent example of this is the appointment of the task force, under the Chairmanship of Dean Woods of McGill University, to investigate our present industrial relations procedures. In so doing, we realize full well that the value of any changes in legislation will ultimately depend upon the climate of opinion in which that legislation is to operate. I am sure you will agree that, in our society, a productive system of industrial relations depends as much on an atmosphere conducive to free agreement as upon legislative machinery. Thus my department views the encouragement of such a climate as a vital prerequisite to the performance of its other duties.

The problem is essentially one of communication, of the reciprocal transfer of information and opinion which, even if it does not alter conviction, should aim to create full understanding of the particular issue or issues being considered. A better understanding of the other partner's point of view is the first and the major step toward the creation of a climate in which mutually acceptable conclusions can be reached.



Today most communication between Labour and Management is limited to the period of negotiation of a new contract. Broadly speaking, this system has worked well enough in the past, but today with the proliferation of issues caused by technological change and other factors, the bargaining table tends to become so cluttered and the atmosphere so charged that there is little opportunity for meaningful communication on many issues.

To propose a solution to this situation does not require very much imagination. Obviously the periodic contract negotiations can be aided by a regular system of honest employer-employee communication. The trick, of course, is to make such a modified system work.

For nearly a quarter of a century, my department has promoted plant level employer-employee joint committees across the country. The principle of thus encouraging informal exchanges and building a continuing partnership of understanding and trust, in my opinion, is a very sound one. In practice, however, these committees had only limited success over the years -- largely because of the narrow range of topics which they considered.

In recent years, the increasing impact of technological change has caused us to re-examine and to re-affirm the validity of the joint committee concept.

In this connection, I was very pleased to note that the Economic Council of Canada has confirmed our views in this regard in a statement issued on this subject last month. The endorsement is especially significant when one considers that the Economic Council is, after all, the best example in Canada of a Labour-Management committee at the national level.

It may interest you if I outline some of the recent steps that my department has taken in the formidable task of translating the joint consultation committee concept into effective practical programs. First and perhaps most important has been the fundamental change in emphasis from "employer-employee" to "Labour-Management" committees. The purpose of this change has been succinctly stated in a report which Professor W. D. Wood of Queen's University made on the old style committees. Professor Wood stated:

"It is important that it (Labour-Management co-operation) be understood as a systematic approach for the achievement of industrial relations and economic goals, and that it is not to be confused with the "good fellow" approach, however valuable this may be."

In effect, more important subjects, discussed by men in responsible union and management positions mean better communication, continuing interest, and should result in improved industrial harmony.

A second major step which has been taken during the past year has been the expansion of the Labour-Management activities of my department into a separate Labour-Management Consultation Branch.

In connection with this new emphasis, we are also in the process of expanding our field operations. This involves the doubling of field staff and the opening of six new local offices to bring the total across the country to fourteen.

Already this increased activity is bringing results. My officials estimate that close to 1 1/4 million pieces of literature were mailed out during the past year -- all of them, and I stress

this, all of them at the request of local Labour-Management committees representing over 600,000 unionized employees in Canada.

The most recent step taken by the Department of Labour has been the initiation of a broad nation-wide advertising campaign to publicize Labour-Management consultation through newspapers, periodicals, radio, and television. In the few weeks since this campaign opened, we have already received well over 300 responses.

Of course we do not maintain or even suggest that we have found the final solution to the question of Labour-Management communication. There will be many problems encountered and many difficulties to be overcome before such a solution can even be approached.

We in the Federal Department of Labour intend to continue our efforts in this direction, but only Labour and Management, through the recognition of one another's fundamental responsibilities to participate in the communication process, can make the program work. Further, I would suggest to you for your consideration this morning, that possibly the two industrial partners have an even more vital stake in the success of this endeavour than does the government itself.

Industrial disputes today tend to affect not just the parties involved but also the general public. Both Labour and Management abhor government intervention -- and with good reason, for an imposed settlement is usually unsatisfactory to everyone. But Government -- most reluctantly I assure you -- has, in the past, and will, in the future, be forced to intervene to protect society as a whole, if the two industrial partners cannot come up with adequate methods of settling their disputes.

There are other more positive reasons than the threat of government intervention for both Management and Labour to favour an increase in communication. In these days of technological innovation and new managerial concepts, an employer must use every facility at his disposal to maintain his competitive position. Many companies are becoming increasingly aware that production depends not only upon the machines, but upon the human beings involved. Surely it is to the advantage of the employer to gain the benefits accruing from a co-operative, knowledgeable and articulate work force.

The benefits to the employees of increased communication are readily apparent and include the opportunity to express opinions and to participate in the consideration of policies which will affect their future. I fully recognize that union officials often fear that Labour-Management consultation may eventually weaken or even destroy the union structure. I, however, am confident that the reverse will be the result and that organized labour will be strengthened by the experience. Under the new joint committee structure, employees will be represented by their unions. This will enable locals to play a closer more continuous role on behalf of their memberships. When bargaining time comes, many of the irritating minor issues that would otherwise prolong negotiations and cause the union memberships to become restless will have been fully and informally discussed and resolved.

While the plant level committee is the basic unit in Labour-Management consultation, an increase in communication between the two industrial partners on a plant level must almost inevitably lead to increased vertical communication within both Labour and Management and will affect their relations at the higher levels. If I may say so, Mr. Chairman, I believe that this improvement will affect even the deliberations of the Economic Council of Canada.

Mr. Chairman, I am firmly convinced that improved Labour-Management communications are vital to the interests of our two industrial partners and to those of the nation. As I have said, the road may not always be an easy one, but I look to you in your deliberations here to assist us as we evolve a more positive and dynamic industrial policy for the future.



MANPOWER ADJUSTMENTS TO TECHNOLOGICAL  
AND OTHER CHANGE

A Declaration  
by the  
Economic Council of Canada

Ours is an era of technological change. All advanced countries are seeking through a rapid improvement of their science and technology, to raise their standards of living. For Canada, with its open economy and heavy dependence on exports, it is particularly necessary to keep pace with these developments. If we fall behind technologically, the whole Canadian economy will suffer; we will be unable to maintain our competitive position and achieve full employment and strong economic growth.

This applies not only to an economy as a whole but also to its individual industries and companies. Both employers and employees will suffer if a company loses its competitiveness through a failure to take advantage of the kind of technological and other change that will reduce its costs and expand its markets.

History shows that in the long run technological development increases employment, incomes and living standards. It creates new jobs and new occupations through new processes and new products. It offers the possibility of shorter working hours with more leisure time and easier work.

However, the broad economic benefits of change which accrue to society as a whole must not be allowed to obscure its responsibility to those individuals who, in the process of change, have their own livelihoods threatened. Technological and other changes can and do disrupt the lives of many employees through job dislocation. We must recognize that everything humanly possible must be done to ensure that individuals will not become hapless victims of such change.

Employers, trade unions and governments all have important roles to play in devising, improving and applying measures to assist individual adjustments to change. Success in this endeavour will require a high degree of co-operation among the three parties. It is equally important to achieve full co-ordination between public and private programmes in this area.

## A Basic Role of Government

A basic role of government is to contribute through appropriate policies to a high level of overall demand in the economy. This is necessary if we are to achieve full employment. Without these conditions, it would be difficult if not virtually impossible -- even with the best of adjustment measures -- for labour and management to effectively assist employees displaced by technological and other innovations. Thus, government's role of promoting a favourable economic climate is indispensable in the manpower adjustment process.

## The Role of Labour and Management

Even under full-employment conditions, the smooth flow of displaced manpower to alternative job opportunities cannot be assured without adequate adjustment measures. In this respect labour and management have important responsibilities to apply specific adjustment measures to the displacement problem. These measures, such as the counselling, training and retraining of the employees affected and their transfer to other jobs within or without the plant, require the closest co-operation between labour and management. Both parties must also co-operate fully with the public authorities concerned with manpower and labour market policies.

The successful solution of displacement problems would also contribute to an improvement in labour-management relations generally. The pace of technological and other changes in recent years has tended to increase the difficulties of achieving accommodation between the degree of flexibility required by management on the one hand, and job security of workers on the other. Historically, there have always been problems in working out a suitable accommodation between what management regarded as its prerogatives in running

its business and what the union regarded as its rights and duties in protecting the interest of its members. This problem has become much more difficult today under conditions of rapid change. It is clearly apparent that the problems arising out of continuous change will increase tensions and impose undue strains in the labour-management relationship, unless adequate approaches are developed. The likelihood of such conflicts arises in the absence of agreed-upon measures and procedures that are appropriate and effective in coping with the effects of technological and other change.

A new approach must be devised to broaden the collective bargaining process. The problems of adjustment to change may arise at any time; they may prove to be too complex to be satisfactorily resolved during the typical bargaining period, which is normally conducted over a relatively short time and often in an atmosphere of crisis. The nature of technological and other change and the consequential impact of such change on individuals require flexible procedures which permit continuous and objective study and action on the problems involved.

Joint labour-management committees, functioning throughout the year, could undertake such a role. These committees normally would comprise all or some of the representatives of the parties engaged in collective bargaining and include other labour and management personnel. They might also draw on such technical assistance as might be required. Such a procedure would improve the ability of labour and management to solve intricate manpower problems as they arise.

## Manpower Planning

There is generally a considerable time lag between the intent to introduce technological and other changes, and their actual implementation. This time lag offers the opportunity to appraise the manpower implications, and elaborate a programme of adjustment measures to accommodate the needs of workers affected by such change.

The success of these measures will depend to a large extent on forward manpower planning. Failure to keep under continuous review and study the manpower implications of anticipated change will frustrate the carrying out of these measures.

Manpower planning could be among the functions of joint labour-management committees. The objectives of these joint committees would be to review impending changes with a view to assessing the manpower implications, and agree on programmes for dealing with the adjustment problems resulting from such change. Recommendations regarding contractual provisions would be made, if necessary.

The choice of actual methods of adjustment will depend of course on the circumstances; no two situations having manpower implications are likely to be identical. It is important, therefore, to have available a range of flexible adjustment measures that could be adapted to any impending displacement effects arising from technological or other change. In some cases a combination of several measures will be clearly required.

The following adjustment measures have been tested for practical experience in many situations involving technological and other change. They are recommended to labour and management for general application as basic and concrete methods of approach



for helping to solve manpower adjustment problems. The specific application of these measures in any particular enterprise and the detailed procedures for dealing with them could be incorporated in formal agreements as desired and agreed upon between labour and management in the particular enterprise.

The adjustment measures recommended deal with the manpower consequences of technological and other change. We are convinced that if these measures had been applied more widely, the effects of change would have been much less disruptive.

Some believe that discussions or negotiations between the parties should not be limited to the consequences of change but should also concern change itself. However, this question of negotiating change does not come within the framework of this Declaration. In this respect, as in others, the Declaration leaves it to the wishes of the parties concerned.

## AGREED METHODS OF ADJUSTMENT TO CHANGE

### Advance Notice of Change

The provision of information as early as possible about anticipated change and its manpower implications is basic and preliminary to the carrying out of any manpower adjustment programme. Such advance notice from employers must be informative about change having manpower implications, and should be as specific as possible in identifying those who are likely to be involved in such change.

Advance notice, to be effective as an initial step prior to the selection of actual programmes of adjustment, must be given to the local union or unions, to the joint labour-management committee where it exists, and to the employees affected. Only then can

the adjustment process be arranged through the co-ordinated efforts of the employer and the union or unions. When the adjustment to change requires the use of public programmes, advance notice should also be given to such public authorities as required. Then, if necessary, steps can be taken in developing placement, training or retraining, mobility assistance, and other programmes to ensure that employees receive whatever aid is required for their adjustment to other employment.

Although it is impossible to stipulate for all industrial situations what the period of advance notice should be, since so many varying factors are involved, there should be as much advance notice as possible, with a minimum of not less than three months where changes of material significance are involved. The longer the period of advance notification, the easier it will be to arrange any adjustment measures that may be necessary. Equally important is the provision of new information as it becomes available.

While it may be difficult to apply such minimum advance notice to change arising from a sudden curtailment in the production of an enterprise due to market conditions, it should definitely apply to all changes, with manpower implications, resulting from technological innovations or changes in production or administration methods.

### Attrition

One of the proven methods of adjustment to change is that of attrition -- that is, allowing voluntary separations, normal retirements and deaths to reduce the work force before a change takes place. This is, singly, the most helpful way of minimizing or regulating displacements. It is the least complicated method of avoiding hardships to workers who otherwise would suffer job dislocation as a result of technological or other change.

The object of attrition, properly used, is to bring about an equilibrium between anticipated job displacement and the normal turnover of the labour force by restricting the entry of new employees as replacements for those who have left. Vacancies created by attrition are then filled by members of the existing work force who might otherwise face layoff as a result of technological or other change. If this use of attrition should contribute at any time to a temporary shortage of workers in the plant, the most common solutions include placing existing personnel on overtime work, or hiring employees on a temporary basis.

Another form of attrition which might be feasible under certain conditions is early retirement. This could be a useful device, especially in the case of workers who, for health or other reasons, find it difficult to continue working until normal retirement age.

### Transfer to Other Jobs

An important element in advance manpower planning is the use of transfers within the same firm to prevent loss of employment due to technological or other change. Effecting smooth transfers is highly dependent upon sound manpower management, since various aspects of adjustment may be involved: job training, mobility assistance, placement, transfer rights, and seniority practices.

The transfer of employees may be impeded by the lack of qualifications for vacant jobs elsewhere in the plant. However, with sufficient advance notice and adequate training or retraining facilities, much can be done to overcome this obstacle. Seniority rules may also hinder transfers, particularly when an entire operation or department is affected by

technological change. Where the departmental seniority system is a serious hindrance to transfers, labour and management should seek a change to a form of plant-wide seniority. The problems attaching to seniority should be solved by revising the seniority system to allow workers greater mobility to take up new jobs.

In case of multi-plant companies, the problem of transfer may be alleviated by interplant mobility. Interplant transfers can, however, become complicated when different unions represent workers in different plants and where one union holds separate contracts for different plants. Problems may arise concerning transfer rights, integration of the transferees' seniority rights within the new work force, and seniority practices that would interfere with efficient operations. Consequently, agreements providing for interplant transfers must be carefully worked out. There must be a high degree of co-operation among different unions and between unions and management in order to modify the seniority structure and thus permit the necessary degree of flexibility.

### Training and Retraining

The most critical problem in facilitating the adjustment of manpower is the lack of sufficient basic education and technical training of many workers, which makes their adaptability to a changing work environment unduly difficult. Although provision for various kinds of training programmes has been greatly expanded in recent years, especially on the part of government, it is apparent that opportunities to upgrade existing members of the labour force are not being sufficiently exploited.

Too many workers, unions, and managements are unaware of, or do not know how to take advantage of, the availability of public funds and other facilities which exist for setting up training programmes



in industry. In addition, too many lack an understanding of the close relationship between employment and education and training. This is partly a problem of inadequate information about the programmes and insufficient counselling of those in need of training or retraining. It is equally important to attune the training programmes more closely to the needs of both workers and the labour market.

Labour and management must play a much more active role, together with educational and labour market authorities, in ensuring that the workers affected by change will not be prevented from making the necessary adjustments because of a lack of appropriate educational and training opportunities.

### Portability of Pension Rights

There is a vital need to increase pension portability in order to increase the potential mobility of workers in an age when technological and other change is making mobility more important than ever before. Pension plans can be a significant deterrent to labour mobility, especially in the case of older workers who have accumulated substantial pension credits. They can have the effect of holding a worker to a declining occupation or industry when he should be looking elsewhere for employment. In other words, the lack of pension portability may hinder many workers from moving at a time when circumstances indicate the need for voluntary job changes.

Vesting of pension rights, which is a guarantee to the worker of an equity in his pension plan based on all or part of his accrued pension credits should he leave his job prior to the time that he becomes eligible for retirement, tends to make the pension structure more flexible, thus increasing the potential mobility of a worker.



It is imperative that both labour and management carefully study how pension portability among workers can be increased, taking into account the provisions of the new government-administered universal pension plans.

### Financial Measures

It is, of course, desirable that wherever possible the adjustment measures outlined above be used. But where this is not possible -- where separation from the firm is the only feasible alternative -- then financial measures to ease such separation are required. These may take the form of severance pay to soften the economic impact on employees who are unable to obtain re-employment within the firm, or supplementary unemployment benefits for those who are separated from the firm for a relatively long period of time before recall, or financial assistance to assist those who need to move to another job.

#### (a) Severance Pay

The purpose of severance pay is to provide a lump-sum cash benefit to workers who become permanently separated from their firms due to technological or other changes. The displaced employee would not qualify for severance pay if he accepted a transfer to alternative employment in another department or in another plant of the same firm. Severance pay can help tide the displaced worker over financially until he has found another job. However, if severance pay is to be a useful adjustment device, it must be reasonably substantial and there should be effective counselling on its use.

### (b) Supplementary Unemployment Benefits

Supplementary unemployment benefits are provided out of a fund financed by employers. They are intended primarily to supplement unemployment insurance benefits as well as to provide some income after those benefits have been exhausted. They can serve as a useful device in aiding workers who may be unemployed for long periods before recall.

### (c) Mobility Allowances

In recent months a governmental mobility allowances programme has been in operation. Workers who are laid off, or who are to be laid off permanently within 30 days, can qualify for mobility assistance under this programme. Labour and management have a responsibility to see that workers are fully informed on how to get such assistance. In the case of inter-plant transfers, where it is the intention of the employer to transfer workers to another plant within the same firm, such workers could qualify under this programme provided that certain specified conditions are met. However, should the worker not qualify for assistance under this governmental programme, the firm which desires to transfer the worker would finance the expenses involved.

## CO-ORDINATION OF PRIVATE AND PUBLIC MEASURES

It has already been stated that the government has an obligation to maintain, within its power to do so, a high level of employment. The federal government, together with provincial governments, must also play an important role in developing more effective manpower and labour market programmes. With

improving placement facilities, the provision of training and retraining programmes, and mobility assistance, governments have at their disposal the means to support and complement those adjustment measures that are within the compass of labour and management. Co-ordination of all these activities is essential.

The increasing availability of and improvements in public labour market programmes through the new Canada Manpower Division of the Federal Department of Manpower and Immigration, and provincial government programmes, should considerably reduce adjustment burdens on the private parties. However, to ensure that adjustment problems will not be dealt with in piecemeal fashion, but in their totality, it is necessary that governments, labour and management establish effective consultation and co-operation so that an appropriate mix of private and public measures will be available for use when and where necessary to facilitate the solution of manpower adjustment problems.

COMMENTARY

by

Gérard Filion, President,  
Marine Industries Limited

Technological and other changes are seen in a different light when viewed by society, management or labour.

a) Society welcomes those changes, but with some misgivings. It is fully aware of the fact that technological advances, improved administrative methods and both vertical and horizontal regrouping of enterprises are at the same time a source of economic development and a cause of social disturbances. Therefore society, as represented by governments at the various levels, tends to encourage such developments, while trying to dampen their ill effects on individuals and groups.

b) Management has no choice. In a free competition system, only the best equipped and most aggressive can survive. Then also, management is pushed and pressed by unions who, through their wage demands, stir up the imagination of the employers. I have gone through that experience in the newspaper industry. Some twenty years ago, the printer was the top-class worker; he was getting the highest salaries, the shortest hours and was working in clean and comfortable conditions.

In 1967, he is being gradually chased out by the electronic printing machine. Through whose fault? The management? The printers? The inventors? I do not know. But what I do know is that newspaper producers have had no choice. They had to adopt the most advanced printing processes or quit.

The same thing has happened in the shipbuilding industry. A generation ago, all ship hulls were rivetted; now they are welded. In a shipyard such as we have in Sorel, where 2,300 workers are employed, there are only three riveters, used for the repair of old ships with rivetted hulls.



For unions and management, the real issue is whether or not technological changes should become a matter for bargaining between them. In a free competition economy, it is the most progressive firm, the one spear-heading the technological advances, who is the winner. Can the management of an industry leave it to the union to decide whether or not a technological change should be introduced? If working agreements were negotiated at the industry rather than at the plant level, as is the case in most European countries, there might not be the same objections to bringing up the question of technological changes at the negotiation table.

But in a free competition economy, where collective negotiations are carried at the plant rather than at the industry level, it would be unrealistic to hope that any employer will accept to be straitjacketed and outdistanced by his competitors.

The Economic Council's Declaration on Manpower Adjustments to Technological and Other Change suggests various methods of adjustment.

#### 1. Advance Notice

This appears to me as a "must" though it may not be so easy to decide what the period should be. Then also, before giving advance notice one must be assured that the union is willing to co-operate. If, as an employer, I have reasons to suspect that such a notice will lead to a slowing-down of production, a general climate of dissatisfaction, or even to sabotage, it is clear that I will keep my intentions secret. Advance notice must be predicated upon mutual confidence between the two parties.

## 2. Attrition

I am all for it, provided union approval can be secured and that the firm can stand the cost. In many cases, new machines and processes are introduced at the very last minute, when they have become a matter of life or death. I know of a certain furniture manufacturing plant that was saved from impending bankruptcy by the action of an industrial consultant firm that completely changed the whole production line, thereby cutting by almost half the number of employees. The net result was: 50 persons unemployed but 150 direct or indirect jobs firmly secured and bright prospects for future expansion. The operation was severe but the patient's life was saved. In such cases, there is no time for attrition. I must say that in that particular instance, the whole thing was done with union approval.

## 3. Transfer to Other Jobs

Of course, when other jobs are available, which is not always the case.

## 4. Training and Retraining

Because of the rapidity of scientific discoveries and of their application to industry it is quite likely that the young man, even if he is well trained, entering the labour market in 1967, will have to change his working methods, or move on to another trade, every ten years. That is why permanent education is of such great importance. The cost of retraining should not be borne by industry alone. This becomes a government responsibility.

5. As a member of the Royal Commission on Education in the Province of Quebec, I had to study, with my colleagues, the problem of adjusting education to the fast development of industrial techniques.

It has been our conclusion that the best preparation to future changes lies in the greatest possible degree of general education. It is only after a young Canadian has acquired general knowledge that he should specialize in a given trade or occupation. As he may be expected to change trade or occupation at least four times in the course of his working life, his general education will be of a great help in adjusting himself to the unavoidable changes in his employment.

COMMENTARY

by

Larry Sefton, Director,

District 6, United Steelworkers of America

The Declaration on Manpower Adjustments to Technological and Other Change by the Economic Council of Canada is a welcome document for the labour movement. It is a welcome document and long overdue because it clearly states that Canada has a manpower problem.

The labour movement, through many of its representatives, has been calling for a solution to our manpower problems for many years. I think the most useful thing I can do here today is to restate the position of the labour movement and its attitude about the measures that have been set out in the Declaration.

In Paragraph 6 of the Declaration the government's basic role is described as contributing, through appropriate policies, to a high level of economic activity. It is my opinion that any modern government now takes it for granted that they must use whatever fiscal and monetary policies are necessary to keep the economy at a high level of activity.

I suggest that government has a much larger role to play in the problem we are discussing today than the Declaration seems to indicate. I say this because it has been recognized by the Economic Council of Canada, by provincial economic councils and by many other gatherings to discuss manpower policy, that our whole forward thrust in productive economic activity in Canada can be undermined unless we are able to devise labour market policies that will result in the placement of our work force in the most productive economic activity possible and which will also upgrade our work force to meet the challenges of technological change.



The Declaration then sets out the need for joint labour-management cooperation and for the formation of joint labour-management committees. "Labour-Management Cooperation" is a high-sounding phrase, but not an adequate tool to meet the requirements of a rational manpower program.

Our union, and many other unions, have worked with management in specific situations to limit the impact of a plant closing on our members. It has been our experience that when there is much cost involved in lessening the hardship of such an impact on our members, management has not agreed to assume the costs required at a time like this.

A recent example of this is at a foundry of the American Standard Company Limited in Toronto. This Company is closing one of its three operations in the city. This will result in 150 men, with an average age of 54 years and low skills, being dumped on the job market. The pension program in the plant is not good enough to give older workers an adequate standard of income regardless of what adjustments could be made in the age limits for qualifying for retirement. Any severance pay proposed has been so modest that it is meaningless and in past contract negotiations the Company has refused any changes in its seniority system that would give full rights for inter-plant transfers. Any cost proposals made by the Union have been rebuffed and the proposals made by the government's manpower representative for a joint labour-management-government committee have also been rebuffed.

I cite this case because it is completely current -- the shut-down started this month -- and also to point out the flaw in the "labour-management cooperation" concept of handling manpower displacement and replacement policies when management won't cooperate.

The unions have and will continue, through collective bargaining, to press for adequate pensions for their members, supplementary unemployment benefits, severance pay provisions, inter-plant seniority rights and other measures that will assist their members in adjusting to displacement caused by obsolescence, as in the case I have cited, or displacement caused by automation or technological changes.

However, even if we do obtain these provisions in all of our agreements, it would still leave a vast number of workers without adequate income security measures to meet the hardship of displacement from their jobs.

To meet this problem we must have a fully integrated and portable public social security system which can only be initiated by our central government.

I might also say that this is the only way costs will be equitably shared by all groups in our country.

Right now many companies have plans in mind for technological changes that will improve their productivity and profits. Any such changes made will, of necessity, result in displacement of employees and/or the need for a more skilled work force. Some few companies will cooperate with the unions that they deal with and take advantage of whatever government training facilities are available to meet the changing conditions in their plants. Other companies won't. This situation can result in some companies spending money for training and re-training employees -- in other words, carrying out their social responsibilities, and other companies will rely on the possibility of getting the skilled employees they require without paying the cost of training.

This situation involves two things. One of them is the need for correct information so the government will be able to accurately predict the manpower needs of the country. All companies should be required to report to the Canadian Manpower Service what their manpower requirements are and should also report on any manpower displacements that will take place in their operations well in advance of their occurrence.

The other necessity is for training and re-training programs that will keep the work force flexible enough to shift and respond to technological change. Here we require the working together of labour, management and government. Operating on the assumption that all three of the parties involved support this approach, and judging from the signatures on the report it appears they do, then the second question we must ask ourselves is what method can we use which will provide the optimum results. I think it is here where I differ with the Declaration. The emphasis is on voluntary cooperation and throughout the government is relegated to playing the minor role.

As I mentioned before, accepting responsibility is the key. It has never been accepted by management and has been accepted by government only to a minor degree. Here is where change must come to have an effective program to cope with automation and technological change. There must be some type of obligation and responsibility imposed on industry. And consequently the government must have enough backbone to exercise leadership in this direction. Very little progress on such an important problem has been made on a voluntary basis in any country and I have seen nothing to indicate that we are about to embark on a new era in socio-economic relations.

In order to share the costs of re-training and upgrading employees, an industrial training tax should be levied on all employers and full rebates for the costs of training given to the employers who carry out training programs. Those that carried out no training or upgrading programs would receive no rebates and would then share in the cost of upgrading our labour force.

These programs for training would be managed by the government and available to the total labour force. The unions would assist in planning and publicizing the programs, and through collective bargaining would work with specific companies to smoothly carry out the changes resulting from automation.

But I have no doubt that the only way a manpower program will be successful is when the government realizes its responsibility for specific legislation and makes industry accept its share of the responsibility for the adjustments as a result of technological change. Even now, the displaced worker still bears most of the burden of responsibility for adjustment as a result of automation and the company which benefits from the change usually makes little or no contribution to assisting in the necessary adjustment.

I know we will have an opportunity to discuss the various specific proposals outlined in the Council's Declaration during this seminar so I won't presume to take up your time with my views on each of them. I agree with many of the points in the Declaration. However, the urgency for the establishment of country-wide and effective manpower policies leaves me skeptical of the reliance on wholly voluntary measures to effect them.

GOVERNMENT POLICIES AND PROGRAMMES  
RELATING TO  
MANPOWER ADJUSTMENT PROBLEMS

Speech

by

Tom Kent, Deputy Minister,

Department of Manpower and Immigration



It is a great honour to speak to this conference, and I am going to resist the desire to exploit the opportunity. In other words, I am going to take less time than I would like to. If comparative brevity results in my failing to make myself clear, I hope that can be corrected in discussion.

The subject is the task of government in relation to manpower adjustment problems. I think it is a subject that can be broken down into four issues:

- (1) How can the general policies and programs of government help to provide an environment favourable to the solution of manpower adjustment problems?
- (2) What specific services can government provide, which will help to deal with adjustment problems?
- (3) How do we achieve the most effective relationship between these government services and the efforts of management and workers to deal with adjustment problems? Or, in the phraseology of the last section of the Economic Council's declaration, how do we co-ordinate private and public measures?
- (4) In the light of the answers to the first three questions, is there any requirement on government to change the legislative framework within which labour-management action takes place?

#### General policies

I am sure you will be glad if I say very little on the first issue -- the general policies of government in relation to the environment for manpower adjustments.

This has become an area of platitudes. We have to have full employment. That is open, of course, to some variations in interpretation. But unless people generally feel that they are living in an active, buoyant economy, then -- bluntly -- the whole topic of this conference is academic.

If there is substantial unemployment, the man in the street is going to believe that automation is at least partly responsible. He sees the connection, and economists can talk all they like about the true causal relationships. No one will believe them. Or, to be exact, whether or not we believe them won't be of much relevance to how we find ourselves compelled in fact to talk and act.

Of course, all of us here know that a larger production per man-hour is no reason why there should be an effective demand for fewer man-hours of work. It depends how we choose to organise our affairs.

The employment problem in relation to technology is in truth a problem of change. Advancing technology requires us to do different jobs. If the technological change is rapid, and if our responses are slow, there will be such an accumulation of frictional unemployment that it becomes a structural problem. And if the general level of demand in the economy is deficient, the structural unemployment will be persistent.

In that case, the unemployment inevitably will be regarded as the consequence of so-called automation. And therefore we won't be allowed to concentrate on the adjustment problems. We will be faced with very great pressure to slow down the changes that have to be adjusted to.

In short, the reality of our subject at this conference depends on the success of general government policies for economic growth and full employment.

That is a platitude, but an important one, and its implications go somewhat further than is always recognised.

The requirement for government policy isn't one that can be met simply and solely by a technically correct mix of fiscal and financial policies producing a sustained high level of activity. What we are concerned with here is a matter not only of statistics of growth and employment. It is a matter also of atmosphere, of commitment. The environment in which we can concentrate on adjustment problems requires confidence. It requires a general sense that government is fully committed not just negatively to fighting unemployment but positively to a kind of economy in which rapid growth is reconciled with the assurance of continuing opportunity for the individual.

What I am saying is that job security can't be reduced unless we replace it effectively by greater employment security. Rapid change destroys particular jobs. That is acceptable only if the flow of new employment opportunities is strong enough to free people from any grinding sense of insecurity. We won't achieve this just because overall demand in the economy is high. Government policy has to be concerned with the stimulation and support of employment opportunities at specific times and in specific places, where the opportunities are insufficient for the available manpower.

I do not mean that we always have to move work to the workers. We can't. That is why there is a problem. That is why part of our effort has to be to help people to move as well as to help them to re-train. Mobility is a key part of the adjustment process. But we must be sensible in how much we expect of it. We can't sit back and say that, as long as overall demand in the economy is good, everything else can be left to mobility. We need to do a good deal to get some of the new jobs where they are most needed. And we have to try to get them there on time.

This, of course, is the most difficult part of the whole business. The time to be scrambling to get someone to decide to put up a new plant is not when an old one has already closed its doors. We ought to be able to anticipate needs enough to get the search started, the plans made, in advance.

As yet we aren't very good at that, whether the investment that is eventually undertaken is public or private. Of course, even when we have the best of information systems, and can therefore do much more to anticipate problems, we won't achieve more than very partial success in finding solutions. But that is no excuse for not doing the best we can. If we don't try, we're not in a very good position to expect the local community, on its side, to tackle its adjustment problem realistically rather than bang on government doors for wasteful palliatives.

#### Government services

So much for general policy. I want to turn now to the government services that can help to deal with adjustment problems.

In my mind, this covers the whole range of what is commonly called an active manpower policy.

No one talked about manpower policy when the work that a boy or a young man started to do was, in the vast majority of cases, the same work that he continued to do throughout his lifetime -- and, more often than not, it was exactly the same work as his father had done before him.

There was no need then for a public manpower agency. The need arises from the impact on the world of work that comes from rapid technological and economic change.



To the individual, rapid change means that some jobs disappear and many change their nature. Some existing skills become obsolete. New jobs have new requirements. Some occupations become greatly more productive and more rewarding; others become relatively unproductive and yield less income.

This is the world with which people must now cope. It is a world in which the opportunities of the individual, and the efficiency of the economy, depend on the ease and speed with which people can adapt from one job to another. The essence of manpower policy is that it should facilitate this adjustment. Its purpose is to speed up the human response to change.

I do not, of course, mean that everyone served by a manpower agency has a massive adjustment problem. Our client may be a man who can be placed at once in his choice of a variety of jobs.

Those easy cases have to be efficiently dealt with. They are -- or should be -- a large part of our business. But we wouldn't need much of an organization if they were the only cases. It is the accelerating pace of industrial change that has made the matching of jobs and workers a crucial responsibility of public policy and a responsibility that can be effectively discharged only with some quite elaborate tools.

The first need is job counselling. It is very easy for administrators and for businessmen and perhaps even for union leaders to overlook the extent to which the effect of rapid industrial change is to make the world of work a very complex, puzzling place for the individual. He feels at the mercy of forces unknown to him. He does not have the information he needs in order to make his personal decision about what kind of job he can best do, where he can get it, whether and what kind of training would help him.



A first-class service of information and advice therefore is essential. Without it, we may have manpower programs that are fine on paper but they will be of limited practical use. They will be truly effective only when we have in every community a Canada Manpower Centre that people of all kinds naturally turn to for information and advice and assistance about employment; a genuine focal point that the businessman uses as naturally as he uses his bank, and that the community as a whole sees as a vital element in its working life.

We are a long way from that kind of organization. It depends on recruiting and training new staff, with a much better knowledge of the labour market than now exists and a much greater capacity to assess the interests and capabilities of the individual in order to give him useful advice.

I do not have to tell you that this kind of staff development is difficult and takes time. But it is what we have to do, if we want the active manpower policy of the Economic Council's reports to be more than just another slogan. Manpower programs are powerful instruments of a more productive, faster-moving economy, spreading its opportunities to all Canadians, only if the programs are brought home to people; and that can happen only through the quality of the work done in the field, in the communities where the people and the jobs are.

Of course, this does not mean that all we need to do is to have knowledgeable, active staff in the field. They have to be supported. They have to be backed by a manpower information and analysis system that does not yet exist. We have to know what the job vacancies really are, what are the occupational trends and employment trends to which people should be advised to respond. We must try to foresee the manpower adjustments arising from impending industrial change, so that people who are starting or changing jobs have

a chance to be a step ahead of the game. If I may use the language of the particular problems that concern us at this conference, the best kind of attrition is the kind that begins ahead of the actual change.

With the right kind of organization and the right kind of informational and analytical support for it, what is the Department's job?

The basic task, of course, is effective placement in employment. That is the purpose of the whole business. From the point of view of the individual, we have to find the best available job for him; from the point of view of the employer, we have to send to him the most suitable people to fill his vacancies.

But to do that successfully, there are four related activities that we must undertake.

One is to recommend suitable training to people whose present employment opportunities are poor; and if they accept the recommendation, we must be able to buy the training for them -- which means not only paying the cost of the course but also, in most cases, providing an income while training. This is our adult training and training allowance program, which we believe is put into shape in the new legislation now before Parliament.

Secondly, we must be able to help people to move when they have little or no prospect of adequate employment where they are.

Thirdly, we must be able to meet the growth needs of the Canadian economy by being able to assist employers' recruitment through an immigration program matched to our manpower requirements.

Fourthly, we must be able to co-ordinate with other public agencies specific measures that will help to utilize manpower more effectively. I am

referring here of course to stabilization programs, to winter employment measures, to programs such as those of ARDA and Indian Affairs, to regional development programs, to all the activities that help to improve employment in the right place at the right time.

I have made this catalogue of our programs very brief, because I am sure that our objectives are well known to an audience such as this. But I hope that I have provided a logical summary of the government services that can be of help in dealing with adjustment problems. That, you will remember, was the second of the four questions into which I divided my topic.

#### Co-ordination in adjustment problems

Let me turn now to the third issue. That is the relation between these government services and the activities of management and workers in solving adjustment problems in the individual plant.

The programs I have described are general. That is to say, they are services available to any individual when he needs them. He may do so for any one of a great variety of reasons. We are concerned in this conference with situations where the individual's need arises from a major adjustment in a particular plant. How do our services fit in with the group problem? How can they best be co-ordinated with planned action by management and workers to carry out manpower adjustments in the particular plant?

As soon as those questions are posed, many people start to talk at once about a three-sided partnership of government, management and workers. That is fine. But I think we have to be very clear as to the limitations on the role of government.

An active manpower policy, as I see it and as I have tried to describe it, is a policy of making certain very important services available to people. How and to what extent they use those services is for the consumers, so to speak, to decide. It is the choice of the individual worker, or the individual management; or, in the case of the kind of adjustment problem we are now concerned with, it may be a joint decision by management and workers.

What worries me in talking about tripartite action is that it is very easy to slip into projecting government into the leading role in the partnership.

Perhaps I can best express what I think is the sound relationship by saying that government should play a big-servant role but it should not play a big-brother role.

In other words, I would suggest that government will do its job best if, in manpower adjustment situations at the plant level, we think of management and workers as the partners and government as providing important services to the partnership.

The services are those I have described earlier. Two questions arise in the plant situation. One is how far management and workers should go in supplementing the general level of service that government makes available to everyone; for example, whether workers who have to move should get some extra assistance over and above the public provision. And, secondly, there is the question whether the general public service itself needs some intensification when applied to a major plant adjustment.

Obviously, the answer to the first question depends on particular cases and is not my business. But I think the second question can be answered "yes", in at least two respects.



The first relates to the kind of activity that was begun a few years ago as the separate Manpower Consultative Service. It will now be developed as a specialised activity within the whole manpower organization.

Its basis is, of course, that often when a technological change is decided on, neither management nor union knows all the facts that should go into a decision as how best to make the manpower adjustments. Objective research and assessment are needed. Government is the obvious agency to help pay for that research and help get it done, under the direction of management and workers but with an assurance of its objectivity.

I am sure that this is a contribution that we should make with increasing frequency and increasing skill.

The second extra contribution we can make relates to training. Our general program provides for treating training in industry much as we treat adult training in public institutions. That is to say, where industry provides classroom-type training, teaching its employees occupational skills that could otherwise be taught in public institutions, then the federal government will be prepared to foot the bill.

That makes economic sense, because the training is by definition the kind on which the company will not itself get a full return. What the employee learns he can use in working for another employer, and if it is in a competitive situation the firm that does most training is liable to have its employees bid away by firms that haven't themselves gone to the same trouble. Accordingly, public financing of this kind of training seems entirely sound economics.



On-the-job training is a different matter. To give an employee experience of what is required of him in a new job is a normal cost of business and there is no reason why government should pay for it.

That is a good general rule. But a major technological change creates a special situation. The workers displaced from their existing jobs may well not be the people it is economic to train for the new jobs. It may be considerably cheaper to take on recruits who are younger or who start with different skills. That, however, magnifies the adjustment problem and creates other social and economic costs for the community.

In these circumstances, it may well be a legitimate public charge for government to bear the whole cost of re-training present personnel for the new jobs. That is to say, in this situation we should pay for on-the-job training in specific skills as well as for occupational training.

This is provided for in our new legislation. We hope that it can become a very powerful assistance in overcoming some of the biggest of your adjustment problems.

I have now discussed two ways in which our general programs can be, as it were, intensified to give extra assistance where a plant has a major adjustment problem. There may well be other ways. But before I leave this part of the topic, I would emphasize again that what I am suggesting is an extra-service approach. It is not that government should move into a leading role in the adjustment situation within a plant. You call on our services. You don't take us in as a man-in-the-middle liable to assume a controlling role in your affairs.

## Legislative Framework

We come now to the last of my four questions. That is whether there is a requirement on government to change the legislative framework for labour-management action on manpower adjustment.

This is, of course, more a provincial than a federal question, but we cannot ignore it from a federal viewpoint.

However, I am relieved to be able to say that there is a division of labour between the Minister and myself. Mr. Marchand intends to discuss this part of the topic when he speaks to you tonight.

I can therefore limit my further demands on your patience to three quick points.

First, if the role of the government manpower agency is as I have described it -- if it is essentially a service role in relation to manpower adjustments in the plant -- then we must be careful that the legislative framework is in that spirit. It should not assert us into any unnecessary function of control.

Secondly, however, I would point out that our services cannot be of much use to anyone unless there is time to put them into operation. In other words, our ability to assist adjustment programs is conditioned by the amount of advance notice of major industrial changes.

My third point is to emphasize that the more successful manpower programs are, the more technological change we can absorb. The economy can make faster gains in productivity. It can operate at a higher level of activity without generating excessive inflationary pressures on costs and prices.

These are the ways in which manpower programs contribute to economic growth. The better those programs are, the less reason there is to think about statutory procedures that would put restraints on the introduction and implementation of technological change. The objective on which we can unite is to respond vigorously to change without letting people get hurt.

At that point, I shall leave the topic of legislation in suspended animation for the Minister.

### Conclusion

There is just one point that I would like to repeat in conclusion. I have described what the Department of Manpower and Immigration is designed to do. Though bits of it have been attempted before, the task as a whole is as new as anything ever is under the sun, and we have to create a new organization to do it.

There have in the past been plenty of good intentions, plenty of theories formulated in long words and economists' jargon. The need now is for clear plans communicated in plain words and put into action. Effective action depends on organization, a new kind of organization; and organization takes time.

We are not offering an over-night performance. In some respects, I hope we have already improved on the service that used to exist, and we are trying to make that progressively more and more true. But the main successes or failures can't possibly show, either way, until the Department has been in existence for at least two years.

We have to ask for your patience. We ask for much more. We know very well that how much good comes from our efforts will depend on whether you in this room feel that you can give us your understanding, support and co-operation.

TOWARDS BETTER COMMUNICATIONS  
BETWEEN LABOUR AND MANAGEMENT

A Declaration

by the

Economic Council of Canada

Communications is now a widely recognized social science. The techniques of communicating are subject to continuing research and experimentation. We are concerned here not with the complex questions of communication techniques, but rather with attitudes and the ways and means of facilitating better communications between labour and management. The interest of the Economic Council of Canada in this area arises not only from its mandate to promote better labour-management relations but also from its stated belief that an improvement in consultation and co-operation between labour and management, by enlarging the understanding between the two parties and reducing unnecessary industrial strife, is essential to the achievement of the country's economic and social goals.

There is, and will continue to be, a natural conflict of interests between labour and management in bargaining over wages. It is the purpose of collective bargaining to resolve this issue. At the same time, however, the two parties have common interests, including the state of the economy as a whole and the continuing welfare of the enterprise from which they both earn their living. Furthermore, they both share a common responsibility in what happens to the economy. At times, however, there is a breakdown in labour-management relations resulting in useless strife, and the two parties and the general public are the losers. This breakdown in relations is often the result of inadequate communication and consultation between labour and management.

There appears to be a general consensus that the development of an effective system of regular communication and consultation between labour and management within the plant or company is necessary for employee satisfaction on the job, greater plant efficiency and productivity, and an improvement in labour-management relations. Many factors may explain why communications and consultation at the plant level are more important than ever before. Among them is the fact



that the average industrial worker of today is better educated; he is more conscious of his social and economic environment than the worker of a generation ago; he is more aware of developments that may affect his job, and he is becoming less and less willing to accept his working role unquestioningly. Consequently, he has greater expectations for information through communication and consultation on matters affecting him personally. As industrial workers continue to become better educated, this need for communication and consultation will undoubtedly grow. Effective communications, by providing for a continuous exchange between management and workers of facts, opinions and ideas, is a means of acknowledging the importance of the worker in the enterprise. This has helped to minimize grievances and disputes. When employees feel their status and job security threatened in periods of change and transition, the provision of adequate advance information, the continuous informing of employees of developments, the seeking of their opinions, and the joint working-out of adjustment programmes, have been found to be beneficial to both the morale of the employee and the efficiency of the firm.

The primary aim of good communications in industry is to create on the part of the employee a feeling of interest in, and belonging to, the enterprise. There appears to be an increasing desire on the part of today's worker to understand his own working role in relation to the over-all operations of the plant. He has a need to improve his understanding of the way in which the plant is organized, what its policies are, what its problems are, and to feel that he has an important part, and is not a mere cog in its operations. If a worker can achieve a feeling of identification with the plant through better information of its over-all operations, his employment conditions then become more closely identical to his environment outside the plant, where he has access to an abundance of information on what is going on around him. The absence

of effective communication and consultation between employer and employee has been a principal cause of a feeling of alienation on the part of employees, of the rise of unnecessary problems and grievances, and a deterioration of labour-management relations in the plant.

What do we mean by effective communications between labour and management? The traditional channel of communications in the company or plant is through a "line" system of command: instructions are passed from senior management through middle management and foreman to the employee. This line of communication is important in conveying basic information and instructions necessary for the performance of the job -- informing the employee what his task is, how he is to accomplish it, and to whom he must report. This customary transmittal of information down the line, which largely amounts to a one-way form of communication, is of course essential in ensuring that the work of the plant is done. It is essentially a management function.

Another form of communication relates to information concerning the worker's employment in the plant and involves such matters as pay, promotion prospects, job security, conditions of employment and welfare facilities. These matters are of great importance to all employees since they directly affect their welfare within the plant. These are matters that are normally subject to collective bargaining.

In addition to these two kinds of customary basic information, there is a third kind of information which is becoming increasingly important to today's workers. This information enables the worker to develop an interest in the firm that goes beyond his individual job. This information is of a broader kind which the employee needs in order to establish a personal intimacy and identification with the company and a sense of participation in the company's affairs.

Included is basic information on the company's finances, its general economic position in the industry, its production plans, anticipated significant changes in production, technology and administration. A company policy of keeping such information unnecessarily concealed from its employees has the adverse effect of making employees feel that they are mere economic servants rather than participants in the over-all activities and plans of the company. Imparting important information about the company tends to give the employees a sense of "belonging" and the result is improved employee morale and better job performance. Advance information and consultation on a regular basis prevent employees from being taken by surprise. This is especially the case when changes being contemplated by the company are likely to create adjustment problems for workers. Measures can then be initiated to deal with these adjustment problems. The Economic Council of Canada recently published a document entitled "A Declaration on Manpower Adjustments to Technological and Other Change". It was emphasized in this document that the provision of information as early as possible to joint labour-management committees about anticipated change and its manpower implications is basic to the carrying out of any manpower adjustment programme.

### Joint Consultation Committees

The main instrument to bring about a system of effective communication and consultation at the plant level is through joint consultation committees, operating on a continuous basis. These committees would consider all matters that are not usually reserved for collective bargaining, or fall within the procedures for settling grievances arising out of the interpretation, administration or alleged violation of the collective agreement. In other words, these committees would assist and supplement but not interfere with the collective bargaining process and established grievance procedures for dealing with the

administration of the collective agreement. Nor would they interfere with the normal management supervision relating to the performance of the job by the employee. In general terms, joint consultation committees would deal with questions concerning the welfare of employees and the satisfactory operation of the enterprise, and provide a means whereby the employees would achieve a sense of participation in the affairs of the company.

It must be stressed that the mere establishment of joint committees will not automatically ensure better communications. The principle underlying these committees, which consist of representatives of senior management and organized labour, is the establishment of an effective and meaningful two-way exchange of information, ideas and opinions. In this way, for example, the workers will better understand the reasons behind changes in company plans and policies, and at the same time management will be in a better position to understand and to take into consideration employee reactions to policy changes.

Information of two kinds should be given to these committees: information of a general nature on such matters as company objectives, its problems, its plans, its organizational changes; and information of a more specific nature, such as financial and economic data, market changes, cost factors of production, factors affecting the productivity of the enterprise, company policies, and so on.

Labour and management representatives on these joint consultation committees would have specific obligations as regards the communicating of information: (1) management representatives would keep labour representatives on the committee continuously informed of the company's policies and of all important matters relating to the operation of the company; (2) labour representatives would keep management informed of



the reactions of workers in the plant to the company's policies, as well as informing management of problems experienced by workers and suggesting how these problems might be resolved.

Labour representatives on the committee would have the task of reporting back to the workers on management plans and policies, providing appropriate financial and economic information on the company so that rank-and-file workers would be as familiar as possible with objective information on the company's operations. They would need to develop their own communication media to suit the size and nature of the establishment. In larger establishments it would probably be necessary for this information to be conveyed by means of union publications, with seminars organized for the purpose of discussing and analyzing such information.

It should be emphasized that labour representatives on these committees have a major responsibility to convey objective information about the company to the employees whom they represent. Information which can be understood by the average worker should include basic material on the need for maintaining the competitive position of the company, and on the relationship between productivity and wages. It is important that workers have a better understanding of the need for advancing technology to enhance the interests of both themselves and the company. Labour must also become more conscious of the fact that union structures that may impede efficiency serve no one's real interest, and may, indeed, affect the future of the company.

Management representatives on the committee would have the responsibility to ensure that all echelons of management were kept fully informed of the workers' reactions to company plans and policies.



Communication between management and employees concerning the company and its activities can be undertaken through various channels but it can be more effective through joint committees rather than through the formal "line" relationship -- that is, by the transmittal of information from top management to middle management, and from foreman to workers. Information received through labour representatives is much less likely to be subject to suspicion than when it comes down through the line of management. Company journals are sometimes regarded by employees as nothing more than "company propaganda". At the same time, however, if the joint committee is to be an effective means of establishing communication and information between the two parties, it is absolutely imperative that labour representatives on the committee be qualified to understand the technical, economic and financial information on the company's operations. In this connection the role of education becomes crucial. Not only does the trade union concerned have an interest and an obligation in helping to provide the necessary financing of educational courses for its representatives, but it is also in the interest of the company to help share the financial cost of such education.

It is vital that both the union and management representatives be well-qualified and well-informed if the joint consultation committees are not to fall into the pitfall of serving as new vehicles for poor communication and misinformation. Such a result would serve only the purpose of invalidating the reason for establishing these committees.

Since many of the smaller trade unions lack the necessary qualified people who understand economic and financial information, the first task in setting up such a committee would be for both the union and the company to agree on the arrangement of appropriate courses. Selected union representatives

should be entitled to attend these courses on company time without suffering loss of pay, as it is as much in the company's interest as it is in the interest of the workers to have properly qualified union representatives involved in this important communication and information process.

It is in the interest of the whole enterprise to see that joint committees are permitted the use of company premises and that secretarial staff is available for proper conduct of meetings. It is equally important that union representatives be able to perform their functions on these committees during company time and without loss of pay.

In order to make joint consultation committees as democratic as possible, workers should be represented by their elected officials. Furthermore, to ensure adequate representation of employees in the plant, the various categories of workers should be represented on these committees. This will ensure that the different problems which arise with different groups of workers are given attention during the meetings of the committees.

A system of continuing consultation and communication poses a serious challenge and presents serious difficulties for both management and labour. We are confident, however, that effective labour-management communications would result in a substantial improvement in labour relations and would bring great benefits not only to those directly concerned but also to the economy as a whole.

COMMENTARY

by

Louis Laberge  
President  
Quebec Federation of Labour,  
Regional Vice-President for Quebec  
Canadian Labour Congress

After reading Professor Jean-Réal Cardin's paper, my first conclusion was that from a structural point of view, the labour movement is far from being in a position to participate fully in extensive labour-management consultations and discussions on economic planning and on the means of remedying the ill effects of automation and manpower displacements. Our only comfort, if it can be so called, is that, structurally, management is in a still worse position than we are.

I admit with Professor Cardin that everything that has been done up to the present time, by both management and labour, has been of a rather amateurish nature.

It may be true that in certain firms joint labour-management co-operation committees have existed and have done some good, but, in most cases, far from generating industrial peace, they have been a source of conflicts and jealousy.

While it may be exact to say that, theoretically, at the local level, such committees can discuss the various problems caused by automation, it is nevertheless a fact that they are not in a position to find more than local solutions, which are far from doing justice to the victims of the plant and equipment modernization process.

It should be realized by all parties concerned, trade unionists, representatives of management, sociologists, economists and government representatives that, from a humanitarian point of view, what is required is not the payment of the cost of training workers and moving them to new industries in other towns or villages, but that we must do everything in our power to find for them new jobs in their own localities.

Of course, that will not be possible in all cases, but I believe that every effort must be made along that line before accepting the easy solution of moving the employee.

That is why it would be unrealistic to imagine that local committees can take care of these problems. On the contrary, what we need are meetings at the summit and even legislation making it binding upon the parties concerned to discuss these problems seriously.

I am convinced that such summit meetings, which would be attended by management and union representatives, economists, sociologists and officials from the Departments of Manpower and Labour, might lead to much more human and realistic solutions to this problem of manpower displacement.

I feel that with proper planning and full-employment policies, it would be possible, in most cases, to retrain workers displaced by automation and fit them for positions in new industries that would be opened in the areas affected. That would enable workers and their families to continue to make an honest living and to be useful citizens for the whole community, but in their familiar surroundings.

In short, what we need, if we want to be realistic, is legislation that will do more than merely encourage management and unions to cooperate in the search of a solution to that problem, but that will compel them to meet together and try to find solutions not at the local, or at least not only at the local, regional or industry level, but at the whole national level, which is, in my opinion, the only level where real human and realistic solutions may be found.



COMMENTARY

by

W. T. Wilson, Vice-President, Industrial Relations,  
Canadian National Railway Company

## PREAMBLE

(First of all -- to set my remarks in proper perspective -- I should like to point out that, in Canadian National Railways, we have a work force of just under 100,000 employees, and 159 collective agreements with 32 union organizations.

Therefore -- it is obvious that we are almost always in continuing negotiations and communications with many union organizations on a wide variety of subjects.

I should also make it clear from the outset that I am in favour of a regular and continuing dialogue between management and labour. My only hope is for an occasional recess so that I can clear my desk.)

Communications in all its aspects has been a subject of interest to me over the years, and since I consider one of my main responsibilities is in the area of labour-management relations, the subject of "COMMUNICATIONS WITHIN AND BETWEEN LABOUR AND MANAGEMENT" is of particular concern. For these reasons, I welcome the opportunity to take part in a discussion on this topic and I hope to make some contribution -- as well as learn something from these proceedings.

But I am apprehensive about making positive statements as to what may be good or bad communications because the act of communicating involves an interchange of sentiments, ideas and information between two or more persons -- no one individual controls the process. Whether communications are good or bad, therefore, depends not only upon the communicator, but also upon the attitude and reaction of the individual or individuals with whom he is communicating. As someone once said -- "THE GREATEST BARRIER TO GOOD COMMUNICATIONS IS THE ILLUSION OF COMMUNICATING".

Now I have Professor Jean-Paul Cardin's study on "CANADIAN LABOUR RELATIONS IN AN ERA OF TECHNOLOGICAL CHANGE", and the Economic Council of Canada's declaration "TOWARDS BETTER COMMUNICATIONS BETWEEN LABOUR AND MANAGEMENT".

Both these papers identify a need for a form of continuous dialogue between the parties on certain matters which do not readily lend themselves to meaningful discussion in a collective bargaining climate, and suggest the type of organizational structure required to achieve that end.

In a moment or two I am going to comment briefly on our experiments and experiences in C.N. in the area of labour-management communications, but before doing so, let us take a careful look at what is said in the general theme of the papers to which I have just referred.

First, the 'Declaration' on communications concludes that because the character of the average worker is changing in a way that is making him less willing to accept his working role without question, he expects more information on matters affecting him personally, and the main medium for communicating with him on such matters is a joint consultation committee.

I can readily agree on the principle of the joint consultation approach when dealing with matters such as Company plans, policies and goals that affect the employees' work security and conditions of work. Such a structure, we feel, provides for an exchange of views and encourages greater understanding on the part of all parties concerned. However, we believe that other communication approaches, in addition to joint committees, serve a most useful purpose and I shall discuss these in more detail later on.

The second point I want to make is touched on in the introduction to the declaration on communications wherein it is stated -

"----the mere setting up of joint labour-management committees at the plant or company level will not in itself ensure more effective communications. If joint committees are to be successful, both labour and management representatives on these committees must be capable of dealing intelligently with objective information in the interest of everyone involved in the firm."

Now, let me say that as I read it, "intelligently" also means objectively. Unfortunately, much as we might wish it otherwise, information is rarely objective and rarely perceived as being objective. Dealing "intelligently" with information, therefore, is very much a function of an individual's values.

My third comment is directed towards the opinion stated in the declaration that union representatives should report to employees on management plans and policies. If there is an implication here that management should not communicate directly with employees on these matters then I must take issue with that opinion. Management, in my view, has a very real responsibility to communicate directly with its employees. But I do feel that it should not do so without having informed the union beforehand of its intention as well as indicating what it plans to say, in those matters where unions have a legitimate concern.

I recall once when chiding a union official on his apparent inability to control some of his members who were on a wildcat strike, he remarked "Don't forget, they are your employees, too!" We sometimes tend to forget that, and by "we" I mean unions as well as management.

One of the means of assessing the communication needs between the Company and employees recently included a survey of employee opinions and attitudes, carried out by a well-known international firm, which showed that most employees prefer to get their information about the Company from the Company itself -- the supervisor, the bulletin board, and regular Company publications. Also, many employees indicated an interest in general information about the Company's operations -- not just specific matters affecting them in the short run.

This implies that many employees want more information directly from management. The E. C. C. document makes mention of the relative levels of suspicion or trust, but whatever the level of trust may be, it will not increase if management isolates itself from employees so far as information-giving is concerned by relying on the union, by using the union as its only channel of communication with employees on general matters affecting them.

Frankly, when we read some of the labour newspapers, we find it very difficult to recognize ourselves at times. While we acknowledge union publications must express a point of view, we wonder how this view can represent a "reality" so different from ours. So we are hardly encouraged to think of union magazines as the Company's best direct link with our employees.

#### GENERAL CHAIRMEN'S CONFERENCE

In Canadian National, we view the spectrum of labour-management communications on a somewhat different and wider screen. While we have no joint consultation committees of the type described by the E. C. C., we have had for several years, at the Headquarters level, an annual meeting attended by the President, myself and other senior officers, and all General Chairmen. At these meetings -- which last for several days -- information is given on a wide range of topics including



plans, organizational changes, financial and economic matters and Company policies, and there is opportunity for general discussion and an exchange of ideas. The success of these meetings has led to increasing their frequency and we now hold them twice a year.

### C. N. REVIEW

A more recent supplement to union-management communications is a publication sent directly to all union officials every month giving them first-hand news about Company plans.

### UNION-MANAGEMENT CO-OPERATIVE MOVEMENT

Many of you will know that for over forty years, C. N. has engaged in Union-Management Co-Operative Meetings, at local, regional and Headquarters levels. These have waxed and waned for many reasons but mainly because of the limited scope of the discussions -- safety, productivity, etc. Perhaps, such meetings could be expanded to embrace a broader range of subjects, without, of course, impinging on the areas that properly belong to the collective bargaining table. We are convinced that they are worth the effort and will continue to work toward improving their usefulness to our mutual advantage.

### C. N. REPORTER

Every employee receives a monthly tabloid newspaper which contains items of interest relating to the Area in which he works and to the Company generally.

### KEEPING TRACK

This is now supplemented by a quarterly magazine which features in-depth articles of common interest.

## YEAR END REVIEW

Each year all employees are given an opportunity to view a film of the previous year's activities.

## CLOSED CIRCUIT T. V. INTERVIEW

And favourable reaction to the introduction of our new President this year through a closed-circuit television interview has prompted us to consider extending the use of this medium of communication.

## MANAGEMENT NEWS

Managers receive a weekly bulletin of Company news.

## DAILY REPORT

Managers receive a daily report of general interest items culled from editorials and news reports in the press.

## MONTHLY DIGEST

Managers receive a monthly digest of news and views contained in various union publications.

A continuing flow of information through these media does, it seems to me, have a useful purpose in acquainting employees -- both labour and management -- with the Company's operations as well as providing them with a better understanding of the larger issues.

## C. N. COMMUNICATIONS POLICIES

We are on much more common ground with the E. C. C. declaration in our communications approach when dealing with specific change situations. Our Company communications policy commits us -- and I am sure you appreciate the difficulties inherent in implementation of such policies in all situations -- to the principle of communicating as fully and early as

possible on planned technological and organizational changes affecting the job, status, security or location of employees. We believe that such changes depend for their effectiveness on a high degree of intelligent understanding, loyalty and co-operation on the part of employees. And only in giving employees as much advance notice as possible and obtaining their involvement by working with their representatives through consultation committees to develop a framework for change can that desired response be achieved. In other words, use of joint consultation committees in specific change situations makes good sound business sense.

I do not claim that we have found the ideal method of communications nor deny that there remains much room for improvement, but since the proof of the pudding is in the eating, let me give you two illustrations of where we feel our communications process through use of joint consultation committees has facilitated major change situations.

#### LONDON SHOP CLOSURE

A major relocation and rationalization of plant and equipment during the 1950's led, within the last few years, to the centralization of car repairs at more modern and larger shops, involving transfer of work and employees to other cities. Notice of change was given up to six years in advance of the actual move. The long period of advance notice provided time for management and the unions involved to participate through a joint study committee in the development of a framework for change best suited to that particular situation.

From a communications point of view, here, briefly, is what resulted:

1. A joint union-management letter was sent to all employees advising them of the establishment of the joint study.

2. Meetings between management, union officers and employees were then held to clarify any questions they might have wished to raise.
3. A continuous counselling service was available throughout the change period. Every employee was given the opportunity for counselling on the alternatives open to him and benefits due to him, such as pension rights, and the like.
4. A bulletin board was set up with up-to-date information regarding transfer of employees, moving arrangements, real estate and housing development locations, and job opportunities within and outside of the Company.
5. A booklet of information on the large cities to which employees might transfer was distributed to them.
6. Employees' ideas and suggestions on personal problems caused by the closure were solicited by the unions themselves and a digest of the answers was taken into consideration by the joint study committee in the formulation of recommendations.
7. A meeting between management and union officials and employees with their wives was held to discuss transfer arrangements and to answer queries.
8. A list of the questions and answers that developed during the meeting was posted on bulletin boards for the information of those unable to attend the meeting.
9. Familiarization tours were arranged to other cities to which work would be transferred and interested employees visited the plant facilities and residential areas in those locations.

In these ways, each employee was kept fully informed of the process of change, its effect upon him, the alternatives available to him and the measures adopted to ease the impact of the adjustment formulated by the joint union-management study team.

#### NORTH SYDNEY CHANGE SITUATION

In the second example involving a major redundancy, the following steps were taken:

1. Immediately following announcement of the proposed operational change which was made two years in advance, management held a series of meetings with supervisors, union officers, employees, and community and legislative representatives, in the localities concerned to explain the possible impact upon the employees and the communities, and the Company's policy of assistance and communications.
2. Estimates of future employment requirements were given to each employee verbally and in a personal letter sent to his home.
3. All the employees were personally interviewed to obtain data on such matters as willingness to move to another location or another company, job and training preferences, and a continuing counselling service was provided.
4. Bulletins were posted in each affected location outlining alternative jobs within and outside the Company.
5. A full-time manpower co-ordinator was appointed as a direct communications contact with employees and their representatives.
6. Joint committees, which the unions had been asked to consider at the time of the initial announcement,



were formed with certain of the unions involved to consider some of the immediate and longer term problems, with the assistance of the Manpower Consultative Service of the Federal Department of Manpower.

7. A Research Director was appointed by the joint committee to supervise and guide the work of union-management study teams.
8. The joint union-management committees have held regular meetings, kept in contact with employees, community and legislative representatives.
9. Pre-vocational retraining programs for employees who will be displaced were designed and jointly administered.
10. Research studies of the barriers against and motivators towards geographical mobility have been commissioned by the committee and findings should be of use in the on-going employee counselling program.

Now -- what conclusions do I draw from our experience:

1. The communications problem in our Company is massive. Thirty-two unions do not make it easy. Nor do the range and magnitude of the various situations. But despite the problems, communication and consultation do take place.
2. There is no one best way to communicate. We -- management and union -- have to use all our resources -- and use them imaginatively. For a nation-wide Company such as ours, the exchange of information, views, ideas may have to take many forms.

3. The job of communicating with employees cannot be left to the unions alone. Management has to talk and write to its employees.
4. Situations of change -- due to technology and other causes -- require joint consultation committees -- such as we have used at London and North Sydney -- to bring about commitment, involvement and real understanding.
5. You have to conduct periodic surveys to know what is getting through and what employees want to know.
6. Counselling the individual can play a very important part, bringing to light much useful data and helping the individual to feel that he is valued as a person -- not merely as one of a group of members or an entry on the payroll.
7. There are serious problems for management in knowing when to communicate and consult and how far to go. There are perils in going forward with only the problem identified. And there are perils in going forward with the solution cut and dried.
8. Management's attitude is important. Managers must be convinced that the Company is committed to consultation and communication. Getting that commitment accepted and applied by all supervisors and managers everywhere is no easy task.

### SUMMARY

Now -- a few words in summary:

Bernard Shaw used to say that when he drew attention to a mess, people behaved as though he had created it. And I am sure that when I draw attention to the weaknesses in the proposal before us, some of you may react and think I am against a dialogue between management and labour. I am not! I am in favour of regular

consultation between management and labour. But I am no longer naive enough to believe that setting up joint committees themselves will everywhere achieve the objective.

Our experience with our various communication approaches, including the use of joint union-management committees, indicates that they do foster a better climate for co-operation between the parties and contribute to the improvement of relations and liaison between unions and management.

We are experimenting -- we are learning and improving as we go, and we are hopeful that our efforts towards the improvement of attitudes, mutual trust and understanding hold great promise of benefit to both employees and the Company.

So far as my Company is concerned, we endorse the basic proposition that unions and management must have a deep commitment to "real" communications; and we support the broad objectives and principles set out in the E.C.C. declaration on communications.

PART II

BACKGROUND PAPERS

FOR

CONFERENCE

Summary

CANADIAN LABOUR RELATIONS  
IN AN ERA OF  
TECHNOLOGICAL CHANGE

by

Jean-Réal Cardin  
Director, Department of Industrial Relations  
Université Laval

Special Study No. 6, Economic Council of Canada  
Available from the Queen's Printer, Ottawa  
Catalogue No. EC22-2/6, Price \$1.25

To what extent can Canadian labour relations, in their present state, contribute to manpower adjustments to technological and other change in industry? Should existing practices and procedures be altered to fit better into an over-all national manpower policy? If so, how?

These current and vexatious questions were put by the Council to Professor Cardin, an experienced observer and leading specialist in this field, in inviting him to express his own views in a background paper for the Second National Conference on Labour-Management Relations. The result has been, the Council believes, a significant and stimulating contribution to the debate in this area. It was decided to publish Professor Cardin's paper separately.

The author states his case at the outset:

"The basic hypothesis of this survey is that our system of labour relations, because of its ideology and because of the functions performed by the parties to this system (enterprise, unions, public authorities),



has not been successful, up to now, in permitting the introduction of an effective manpower policy; and that progress towards certain better-adapted forms of meeting and of dialogue among labour, management and governments, intended to assist or extend traditional collective bargaining, could be of great importance in changing people's points of view in this field."

After reviewing some of the special difficulties Canada faces in this area, Professor Cardin surveys in Chapter 1 the attitudes, structures and internal communications in the Canadian labour movement, and in Chapter 2 the corresponding situation in management. The nature, scope and limitations of collective bargaining as now practised are examined in Chapter 3, and in Chapter 4 the author outlines government contributions to manpower policy as well as the State's role in labour relations. In his final Chapter, the author offers several suggestions for a better adjustment of the whole system to an integrated manpower policy.

## Summary

### MANPOWER PLANNING IN INDUSTRY

by

B. A. Keys and H. H. Wright

Staff Study No. 18, Economic Council of Canada  
Available from the Queen's Printer, Ottawa  
Catalogue No. EC22-1/18, Price \$1.00

Because of its direct bearing on the manpower requirements of a rapidly growing and changing economy, this study, published separately, was included among the background papers made available by the Council to participants in the Second National Conference on Labour-Management Relations.

The study examines the state of manpower planning in 17 large companies in Canada and seeks to define broad shifts in their requirements for personnel to 1970. The corporations participating in the survey represented heavy industry, mining, oil, chemicals, pulp and paper, consumer durables, nondurables, transportation, utilities, distribution, communications and banking. Altogether these companies employed 350,000 persons in 1965. Although extensive, this coverage was not designed as a representative sample of the entire labour force.

In about 30 pages of text, three tables and six charts, the authors show that:

-- The greatest demand for personnel to the end of this decade, and probably beyond, will be in the area where there already is an apparent critical shortage: technical, professional, managerial and skilled workers. Professional and technical occupations are expected to account for around 42 per cent of total net new job requirements.

-- There is a decided shift in anticipated requirements towards higher levels of formal education. For example, it is expected that the number of university graduates required by the 17 companies by 1970 will be 46 per cent higher than the number employed in 1965, and there will be a corresponding increase of 80 per cent in the number of technological institute graduates required. But the number of employees who have not finished high school is expected to decline by about 7.6 per cent.

-- Corporate manpower planning in Canada is still at an early stage of development. With the shortages of some types of personnel becoming increasingly serious, the need for such planning is clear. The survey found that while all companies in the group had well-defined medium- and long-range plans and procedures for capital investment, not much importance had been assigned to the need for an adequate supply of properly trained manpower to implement the capital plans successfully. The paper includes a suggested outline of steps to be followed by companies wishing to increase their manpower planning activities.

SELECTED MEASURES TO FACILITATE  
MANPOWER ADJUSTMENT TO TECHNOLOGICAL  
AND OTHER CHANGE

## ADVANCE NOTICE OF CHANGE

The concept of "technological and other change" covers such a wide variety of situations that it is difficult to find a common denominator -- except to say that on the one hand such "change" normally brings about some over-all improvement in the productive process and on the other hand that it requires manpower adjustments of one kind or another. Nevertheless, whatever the reasons for and the effects of change, our studies of actual cases show that advance notice of technological and other change appears as an essential element of any programme designed to deal with the manpower implications of change. Advance notice is a first and initial step in the development of a manpower adjustment programme.

The illustrative cases summarized at the end of this paper in which advance notice of change<sup>1/</sup> has been applied, cover a large number of situations such as plant shutdown, discontinuation of production lines, new construction, conversion of production facilities, product changes, internal reorganization, installation of new machinery, a higher degree of automatic production or automation, consolidation of several plants,

---

<sup>1/</sup> While this chapter is based upon our own case studies of manpower adjustment to technological and other change, we are indebted to Messrs. Arnold B. Weber and David P. Taylor of the University of Chicago for many points contained in their article: "Procedures for Employee Displacement: Advance Notice of Plant Shutdown", Journal of Business, Volume 36, No. 3, July 1963. This latter article was largely based upon Professor Weber's pioneering study of advance notice, prepared in April 1961 for the Armour Automation Fund Committee.



and transfers of production lines from one locality to another. "Change" can come also from other causes or reasons such as a modification in national trade policy.

The manpower effects of these changes are by no means always clear cut. The possibility of layoffs is certainly not always the main consideration, especially where business is expanding. Adjustment problems often arise from dislocations because 'new' jobs have come into being which have to be manned, some existing jobs change in character, other jobs are eliminated and different skills may be needed in entirely new jobs or in existing jobs which have undergone some degree of change. Also, a considerable number of cases involve situations where change does not take place all at once, but is implemented step by step with old and new production methods continuing to exist side by side for some time, affecting relatively small groups of workers or individual departments. In these circumstances, advance notice of change enters into the day-to-day operations as part of the communications system, between management and labour. Even in cases of plant shutdown or discontinuation of certain production lines, unless these are caused by sudden and unforeseen market conditions beyond the control of management, there is usually sufficient time to give advance notice.

#### Objectives of Advance Notice of Change

In the multitude of situations in which manpower adjustments are involved, the objectives of advance notice will differ, but on the basis of our case studies these would appear to be the most common:

- 1) to provide time for devising and bringing into action appropriate manpower adjustment measures -- both company and public measures -- including attrition, transfers,

training and retraining, mobility allowances, counselling and placement services;

- 2) to maintain and improve the atmosphere in the plant, conducive to the acceptance of change especially by removing the fear of change. Such fears exist in regard not only to possible loss of jobs, but also to change itself, particularly when old skills and work habits have to be replaced, a new work environment created, groups used to working as a team are dissolved, supervisory functions gain added significance, and similar situations. Nor are such fears restricted to the persons directly affected. The fact that a specific change may only concern a limited group of workers does not remove the fear of others that their turn may come. The way in which one group in the plant is being treated will be carefully watched by all. Advance notice as well as the subsequent positive measures which may be taken to mitigate the effects of change, measures which can improve the position of the individuals concerned, make it easier to achieve proper adjustment to the inevitability and effects of change;
- 3) to allow ample time to the community in which the enterprise is located to take steps to minimize such economic dislocations as might result from the proposed change. The situation arises especially in communities whose economy is largely dependent on one firm.

There are, of course, other purposes -- of lesser importance -- which can be served by advance notice, e. g. , to prevent the spread of uncertainty and rumors which have adverse effects on the morale of employees (often leading to immediate quitting) and on company operations.

## Techniques of Advance Notice of Change

Three main factors are involved:

- a) timing -- at what stage in the planning of change is advance notice to be given;
- b) amount of advance notice -- date from which advance notice is given to the implementation of the proposed change;
- c) the content of the notice and the channels through which it is given.

As regards timing, practice differs from case to case and seems largely dependent on the attitudes of management and the nature and magnitude of the changes. In some instances, advance notice "as early as possible" has meant that notice was given or would be given at a stage when the change was under discussion by management and no definite decision had yet been taken. In other cases "as early as possible" means immediately after a decision has been taken and fairly detailed plans have already been worked out.

Amount of advance notice also varies widely, not only on the timing of the notice but also on the date of implementation of the proposed change. In practice, formulas vary from "as long as possible" to specified periods which may be from several weeks to one or more years.

At the same time, practice has also shown that even where contractual obligations provided for specific periods of advance notice, these often became minimum periods as managements gained experience

and confidence in the application of advance notice. <sup>1/</sup>

The nature of the advance notice involves the conveying of information on the kind and magnitude of change contemplated, and the possible manpower implications of such change. This information, which is further elaborated on through subsequent discussions, is essential to the devising of appropriate adjustment procedures.

As regards the channels through which advance notice is given, it would appear that one essential channel of communication is between the employer and the union concerned. The employer and the union could then begin to discuss what adjustment measures were required to deal with possible manpower adjustment problems.

---

<sup>1/</sup>

The same observation has also been made by the Royal Commission on Manpower Policies in Sweden, published in 1965. Sweden is one country in which advance notice of change has been fairly generally applied for over 20 years. The original agreements between a number of employers' organizations at the industry level and the manpower authorities stipulated two months' advance notice of manpower changes. The Commission observed that this period has gradually been extended in practice over much longer periods. Voluntary agreements between employer organizations and the Labour Market Board are paralleled by an agreement between the central employer organization (SAF) and the trade union centres, according to which the works councils are to be informed at the same time as the authorities and be kept continually informed of further developments arising from such notice.

## Contractual Provisions for Advance Notice of Change

No conclusion can be drawn as to how often clauses specifically referring to advance notice occur in the multitude of collective agreements in force in this country. Moreover, such provisions do not necessarily tell the whole story. In a paper delivered in November 1963, a senior officer of the Federal Department of Labour stated, in connection with a study of nearly 12, 000 collective agreements in the manufacturing industry in Canada:

"When we started preparing the study, we firmly intended to analyze provisions dealing specifically with what is commonly called 'technological changes'. In fact some such provisions were spotted by the analysts. But it was soon discovered that very few collective agreements contained such provisions, i. e., provisions that would make an open and obvious reference to the problems resulting from technological changes....

"Indeed, a more comprehensive analysis of collective agreements clearly suggested that the problems resulting from technological change were too vast and too complex to be looked at realistically on the basis of collective agreements alone: it would seem that technological change can, in fact, lead to formulation of numerous agreement provisions that will not necessarily make an open reference to the problems from which they result." <sup>1/</sup>

---

<sup>1/</sup>

"The Study of Collective Agreements in Canada": a series of five papers presented by Felix Quinet, Head of Collective Bargaining Section, Economics and Research Branch, Federal Department of Labour, Ottawa, January 1965, page 20.



It would appear that since 1963, given the increasing importance of the question of manpower implications of technological and other change, the number of collective agreements referring to advance notice has increased.

Moreover, it should be noted that advance notice can and is given even when there is no contractual provision in this respect. As our case studies show, various arrangements -- some written into contracts and some of a more informal nature -- such as grievance committees, labour-management committees, and joint study committees, have been used as the vehicles of advance notice. Sometimes it is a matter of ordinary correspondence between management and union, while at other times the union is provided with a more formal "letter of intent".

### Case Study Illustrations

#### Case No. 1 - West Coast Oil Companies - Oil, Chemical and Atomic Workers' International Union -

In the British Columbia oil industry, certain clauses have recently been incorporated in contracts between the companies and unions "in view of the interest and concern by the parties in the impact on manpower and conditions of employment from technological changes and automation". These clauses provide, for each company, the establishment of a committee "to be known as the Committee on Automation, consisting of equal representation by the Employer and Union".

"Pending implementation of recommendations made by the Committee on Automation, or the expiration of the agreement, whichever shall first occur, the following provision shall apply concerning advance notice of change:

The Company shall notify the Union six (6) months in advance of intent to institute changes in working methods or facilities which will involve the discharge or layoff of any person who was employed by the Company on the 31st day of August 1965."

Case No. 2 - Forest Industrial Relations Ltd. -  
International Woodworkers of  
America -

A two-year agreement between member companies of Forest Industrial Relations Ltd. and the International Woodworkers of America, entered into in July 1966, provides for the introduction of joint labour-management shop committees. The contract provides that:

"The Company shall notify the Shop Committee and the Union, six months in advance, of intent to institute changes in the working methods or facilities which would involve the discharge or laying off of employees."

Case No. 3 - Silverwood Dairies, London, Ontario,  
plant -  
International Brotherhood of Teamsters,  
Chauffeurs, Warehousemen and  
Helpers of America -

In 1960 this firm constructed a new plant and purchased new machinery. Although this change required certain manpower adjustment measures, no layoffs were involved. The company employs about 300 persons.

Manpower adjustment questions are dealt with in this firm in two stages and on two levels. Whenever significant manpower changes are involved, the initial

presentation of the company's intentions is made to the union steward's committee well in advance of the projected change. Once the changes have been effected, the day-to-day operational problems are discussed in the monthly meetings of a joint committee which also serves as a vehicle for advance notice on minor and continuing operational changes.

When the new plant was built in 1961, notice was given to the steward's committee about 2 1/2 months in advance, and this committee then discussed the company's plans and made recommendations concerning manpower adjustments.

Case No. 4 - Canada Iron Foundries Ltd.,  
St. Thomas, Ontario, plant -  
United Steelworkers of America -

This firm recently modernized its main foundry plant which has about 125 employees. The union was informed six months before this change took place. Some two or three months ahead of the change-over from the old plant, the general manager held discussions with all employees to explain the company's manning proposals for the new plant. When new classifications were prepared, some two months before the change-over, the union was given all the details of the change, including the manning plan for the new operation.

Case No. 5 - Canadian International Paper Company  
Ltd., Gatineau, P. Q., plant -  
Brotherhood of Pulp, Sulphite and  
Paper Mills Workers -

This firm employs about 1,600 people. Changes have occurred over a number of years due to the introduction of new machinery and reorganization programmes. Over a period of six months,

company officials, in discussion with union officers, worked on the problem of manpower adjustment before a change-over, affecting 40 jobs, took place in December, 1965.

The collective agreement for 1965-68 introduced a special section on automation containing references to advance notice and providing for the establishment of a joint office and an all-mills committee. The company is required by the agreement to advise this committee as far in advance as possible, but in any case not less than 60 days, before the introduction of a technological change which might lead to layoffs or other significant changes in the employment status of employees.

Case No. 6 - Air Canada -  
Air Canada Sales Employees  
Association -

This case involves the introduction of a computerized reservations service. Discussions with union representatives and employees started in March, 1959, and the employees were given the assurance that no one at the reservations centre would be laid off as a result of computerization and none would be asked to move outside Toronto unless willing to do so. Advance notice included an explanation of adjustment programme as well as the nature of the new operations. As originally intended advance notice would have covered a period of some two years, but owing to a delay in arrangements, total advance notice amounted to almost three years before the new installation was in operation.

Case No. 7 - Manitoba Rolling Mills,  
Selkirk, Manitoba, plant -  
United Steelworkers of America -

This rolling mill has been converting to more modern equipment. Out of a complement of about 700 employees, the jobs of about 150 were expected to become redundant, while another 150 workers would have to receive retraining for new jobs.

In 1963 -- 2 1/2 years in advance -- the union had been informed that the changes were likely to occur. In October, 1965, the negotiating committee of the union was given a fairly precise date -- June to July 1966 -- for the transfer of operations to new facilities. The company made several announcements to that effect and union officials explained the change-over at several union meetings. By the end of October, 1965, agreement had been reached on all personnel changes.



## JOINT CONSULTATION AND JOINT COMMITTEES

Little is known about a growing number of successful Canadian joint labour-management consultation programmes which have dealt with the problems of manpower adjustment caused by industrial change. On the other hand their U. S. counterparts have had extensive coverage in current literature.

The Human Relations Committee of the United States steel industry, the Armour Company Joint Committee, and other U. S. attempts to improve the bargaining process have been the subject of intensive study and discussion. Virtually no Canadian literature has dealt with the Human Relations Committee of Vancouver's Pacific Press, or the highly effective joint consultation programmes at the Casavant Frères, Labatt's Brewery and the Bowaters Mersey Companies. Nor have the consulting processes at Imperial Oil or the joint councils in Ontario's Hydro-Electric Power Commission been sufficiently studied along with many other consultation processes highly valued by both labour and management participants.

There is increasing recognition in Canada that the pace and speed of change calls for joint discussion of the ways and means by which the human problems created by industrial change can be solved. A number of Canadian collective agreements negotiated during the past two years call for special joint committees to study the effects of automation. The most recent cases have been in the west coast oil, pulp and paper and lumber industries.

### U. S. and European Developments

The United States Conciliation Service reports that joint committees recorded in conciliation proceedings have grown from a total of 202 in 1962 to more than 900 in 1966, a 400 per cent increase in four years.

Recent reports from government, industry and labour organizations in Great Britain indicate that an attempt is under way to extend regular bargaining sessions to a form of joint consultation on non-negotiable or near-negotiable items accompanied by a move to strengthen existing works councils with union bargaining executives and more senior management representatives for the same purpose. Works councils and other institutions on which workers are represented have experienced varying success in a number of other Western European countries for a great many years.

Three types of joint committees have been broadly identified in U. S. conciliation reports:

- 1) Labour-Management Consultation and Study Committees active during the lifetime of the collective agreement and designed to deal with problems which arise during this period;
- 2) Joint Pre-Negotiation Conferences held sometimes three or four months ahead of contract negotiations for the purpose of clarifying issues before actual negotiations begin;
- 3) Post-Negotiations Committees where matters which could not be settled in negotiations due to the complexities involved are left to be decided by a joint committee after formal negotiations have been completed.

### Canadian Experience

Of the 40 Canadian companies and associated unions examined in some detail, 30 companies conducted joint consultation sessions of one form or another with their unions and/or employees. All dealt with manpower changes, either as their main function or as a part of the subject material for regular meetings.

The origins of Canada's joint labour-management committees vary. A number of the committees examined grew out of the work of the Labour-Management Consultation Branch (formerly the Labour-Management Co-operation Service) of the Federal Department of Labour, a few extending back to the wartime period when joint production committees were initiated from coast to coast. In other cases, the joint committees were instigated by managements which considered joint consultation to be a progressive managerial approach while a number of committees developed from union demands during negotiations or were influenced by the success of the well publicized American joint committees.

#### Forms of Joint Consultation in Canada

- a) Regular Scheduled Joint Committees - The survey indicates that the majority of the joint committees are composed of senior plant and union officials and meet on a regular basis, usually monthly, during the lifetime of the agreement. They discuss any and all subjects of interest to either side. Contractual and bargaining items are usually excluded.

A number of committees also meet on a quarterly basis such as the Mutual Interest Board at the Bowaters Mersey Company in Nova Scotia where the president presides, and the Quarterly Review Board of the Alberta Government Telephones, at which broad aspects of the Company's operation are freely discussed.

- b) Problem Solving or Special Informational Meetings - The various joint committees recently established to study the effects of automation come under this category, as do

management approaches to the regular union committee or groups of employees for the sole purpose of considering special problems of conveying particular information. For example, the manpower programme for the recent closure of the Imperial Tobacco Company, Hamilton plant and the shifting of production to Guelph was worked out in detail by a special joint tobacco union-company committee on automation set up in the last contract negotiations.

More commonly, where this kind of procedure is used, management first prepares a general or a detailed programme of change. Joint meetings are arranged to inform the union in advance of the change, to provide an opportunity to discuss the programme, to make suggestions and to point out potential problems.

- c) Joint Study Teams and Research - Various methods are used. At Philips Electronics Industries in Toronto the regular union and company bargaining officials became a "study committee" to plan manpower changes associated with the closure of part of the manufacturing process. In the recent CNR London Shop closure, a Joint Steering Committee was established under which a special joint "study team" developed detailed plans and recommendations for the larger committee.

The federal Manpower Consultative Service has promoted and financed special research on manpower problems in three of the cases which have been surveyed for this study:

- 1) for the company and the unions at both the Windsor Mills and Portneuf plants of Domtar;
  - 2) for a joint committee at Manitoba Rolling Mills; and
  - 3) for a joint CNR Longshoreman's Union Committee at North Sydney, N.S., in connection with the change-over of the ferry service to Newfoundland.
- d) Multi-Union Company Committees - Two instances are noted where a company with more than one union has set up a multi-union company consultation arrangement. In 1962, Domtar invited heads of the 24 national unions represented in the company to meet under a neutral chairman with senior officers of the company to discuss manpower and other problems arising from the consolidation and modernization of a number of their nearly 100 plants. Meetings have continued on a yearly basis followed by multi-union company study committees.

In 1951, a joint council of all of the construction unions that were to be associated with the building of the Ontario Hydro Sir Adam Beck Power Project at Niagara Falls was formed to act as a bargaining agent for the group. Pre-construction discussion with Hydro officials led to regular monthly meetings of the top level multi-union groups and the company and to the establishment of multi-union labour-management committees at every division of the project. Manpower adjustment and other problems were considered by these various committees.



Success at Niagara Falls has resulted in the establishment of similar patterns of multi-union committees in all subsequent Ontario Hydro construction operations, on the current British Columbia Hydro Peace and Columbia River power projects and on all Chalk River construction among many other projects.

- e) Departmental Joint Committees - Joint committees in each department of a plant supplement a joint committee for the whole plant as in the case of Labatt's Breweries, London, Ontario. Problems which can be solved within the department are considered, while matters which cannot be dealt with at this level are passed on to the plant-wide committee.
- f) Interplant Committees - One Quebec firm, the Price Company Limited, has agreed in its latest contract to set up a joint labour-management automation committee for three of its Lake St. John Pulp and Paper mills in each of which there is a local union and a joint committee. A mechanism for achieving uniformity of programmes and policies and for providing special assistance has thus been provided.
- g) Foreman's Employee Meetings - Regular or occasional meetings of foremen with employees under their charge have been noted in which general problems of the work area are discussed as well as company policies and progress. At Canadian General Electric's Peterborough plant they are called "Foreman's Round Table" and are held twice a year.

- h) Annual Business Review - A few companies conduct an annual meeting which includes company officers, all local union officers and sometimes international union officers at which progress of the company and future plans affecting operations and manpower and other items of interest are presented and discussed. Meetings at the Abitibi and E. B. Eddy Companies have also included presentations from leading authorities on Canadian and world economic problems which affect their industry.

Once a year Canadian General Electric presents to all hourly and salaried employees a review of the company's future plans and business problems in a series of meetings held on company time at every Canadian location. In each case the senior company official of the area makes the presentation to employees in successive groups of 50 to 150 persons on a condensed schedule. Questions are permitted within the time available or presented afterwards to foremen or supervisors who in turn provide the answers or request them from an appropriate department of the company.

- i) Individual Employee Interview - In several of the cases, interviewing of employees prior to or during a period of disruptive change proved a valuable contribution to the development of useful adjustment programmes. Interviews were usually conducted by trained personnel staff of the company at which a union steward could attend if requested by the employee or the union. These talks provided an opportunity for presenting exact details of changes which would take place with specific reference to the effect upon the employee and the choices which he might have.

- j) Tripartite Committees - One instance of a tripartite committee of labour, management and government is recorded. At the Alberta Government Telephone Company a tripartite committee established both an inplant training and an apprentice programme which has provided to date a supply of technically trained people for the telephone operation.

### Contractual Provisions

A number of joint committees are set up under precise contract regulations which define the specific purposes of the committee, membership and frequency of meetings.

For example, the Agreement between Pacific Press, Vancouver, and the Newspaper Guild states:

'15. A joint Guild-Company Human Relations Committee shall be established, comprising three representatives from each party (including the Company's senior employee relations manager and the Guild's administrative officer), the committee to choose one of its number to act as chairman. The function of the committee shall be to review the possible effects on employment of Company organizational changes, including those resulting from the introduction of new processes, new methods and/or new equipment. The Company's policy shall be to re-locate and re-train, where possible, within the Company any employees whose job may be eliminated by said changes. The Human Relations Committee shall make recommendations to the Company on methods by which this may be accomplished in general and specific instances. It is agreed that necessary funds

for re-training will be made available by the Company on recommendations of the Committee."

The text in the new agreement between the West Coast Pulp and Paper companies and their union repeats the item in the contract in vogue at Canadian International Paper, Gatineau Plant, and other eastern pulp and paper plants, namely:

"1. A Joint Committee on Automation will be established at each mill which shall consist of three persons representing management and three persons representing the unions. It shall be the function of each committee to study the effect of technological changes and automation on the employees and their effect on working conditions in the mill at which it is appointed and to make such recommendations as are agreed upon, to the local mill manager, to ensure that the interests of the Companies and of the employees are fairly and effectively protected."

The Bowaters Mersey Paper Company union contract states:

"The Company and the Unions agree that automation and increased efficiency or productivity must be encouraged and supported. They agree further that they have, jointly and severally, a real and direct responsibility at all levels to reduce to a minimum the adverse effects that may result from the changes that are involved. It is their agreed intention to work together to foresee and to mitigate these adverse effects, and to eliminate as far as possible the fear of loss of employment and earnings which may be caused by proposed changes....

- a) The Company will keep the Unions fully informed on their plans for future capital developments or operational changes...
- b) The Company and the Unions will prepare advance plans to deal with employees who are likely to become redundant...
- c) In the event of a major change... the Company and the Union concerned will jointly consult with the appropriate Government Agencies, to assist as far as possible those employees who are likely to be released."

In this case the regular union committee and company officials act as a joint committee.

Article XXi from the contract recently signed between the British Columbia woodworking industry and the International Woodworkers Union reads:

"There shall be created forthwith a high level standing joint committee comprised of three (3) members from the Union and three (3) members from Industry to study issues arising from changing conditions in the Forest Products Industry. This Committee will be referred to as the Union-Industry Standing Committee or Standing Committee. Consideration will be given to the desirability of appointing to the said Committee two (2) impartial persons to represent the public interest."

"The Committee shall seek assistance from the Provincial Department of Labour in these studies through the provision of statistical services."



## THE ATTRITION APPROACH

Company experience in Canada and the United States<sup>1/</sup> indicates that allowing the process of normal attrition, i.e., voluntary quits, deaths and retirements, to trim the work force before a change becomes effective, is most helpful in minimizing layoffs of employees. In most companies the degree of labour turnover can be predicted to a certain extent. Therefore, if replacements are avoided or restricted to the absolute essential, natural causes will lead to a gradual reduction of the work force. In fact, planned attrition has been demonstrated to be the least complicated method for avoiding hardships to workers who otherwise would be laid off. It is also the method which is relatively free of conflict and is often found the least costly. Undoubtedly, the fact that the introduction and growth of various dismissal compensations has increased the cost of involuntary separations, has encouraged employers to plan changes in such a way that they, to a certain extent, will correspond to natural attrition rates.<sup>2/</sup>

Whatever the reasons, in the majority of cases under study in the United States and Canada, the attrition approach has been used wholly, or partially in combination with other measures, to minimize the effects of change.

---

<sup>1/</sup> See Richard A. Beaumont and Roy B. Helfgott, Management, Automation and People, Industrial Relations Counsellors Inc., New York, 1964, p. 55 ff.

<sup>2/</sup> Jack Fay, "Attrition in Job Elimination", Labour Law Journal, Vol. 14, No. 9, September, 1963, pp. 809-817.

The applicability and effectiveness of the attrition approach obviously depends on the nature of the change, the length of time needed or desired to implement the change and, above all, the rate of normal attrition prevailing in the individual enterprise. This, of course, depends upon the composition of the work force, primarily with regard to age and sex, but also on business conditions. Enterprises with a considerable number of older employees may experience a relatively high rate of attrition due to deaths and retirements, but a lower rate due to voluntary quits. On the other hand, a predominantly young labour force may show a higher rate of voluntary quits, especially among those with a short service record for which separation allowances, pension plans, etc., play a minor role and who in general have more mobility and freedom in job changing decisions. Again, enterprises which employ a large number of younger women can also rely on a substantially higher rate of labour turn-over than those employing mainly men. In addition, the attrition rate will also fluctuate over the years within the same enterprise. It is a common experience that during slack business periods, voluntary quits will tend to decline but increase when the labour market becomes tighter again.

In some instances the rate of normal attrition is accelerated by various methods: quits by mutual agreement whereby the employee retains benefits which would have accrued to him if he had been laid off, encouragement of early retirement with compensation for loss of pension benefits, etc. This is usually spoken of as "induced attrition".

In all circumstances the attrition approach implies the holding down of new hirings or replacements to create vacancies for those who otherwise would face layoff. It is obviously more effective and

least costly if a fair balance can be achieved between the number of vacancies through normal attrition and the number of jobs eliminated in the change. Temporary shortages which occur are then usually taken care of by the hiring of temporary employees and/or overtime. Obviously the conditions on the local labour market will greatly influence the mix of methods used. It has been argued that despite overtime premium rates, overtime may be both in the short and in the long run less costly, but may not always be feasible from the production standpoint or in terms of union relations, especially in periods of slack employment.<sup>1/</sup>—

While in many instances the attrition approach was found to be a matter of company policy or informal understanding with the union or local plant representatives, in some cases contract clauses do occur which are clearly intended to favour the attrition method. For example, one company agreed to the following:

"(Advance) notice... shall include information on the number of titles and positions likely to be affected. While the proposed changes may take place before the expiration of the six-month notice period, there shall be no layoffs of affected staff during this time.

At least two weeks in advance of any dismissals to reduce the labour force, the Company shall accept voluntary resignation from employees in the classification involved. The number of employees dismissed shall be reduced in relation to the number of voluntary resignations which are received."

---

<sup>1/</sup> R. A. Beaumont and R. B. Helfgott, op. cit., p. 58.

In addition to job security clauses, provisions which tend to increase the financial costs of layoffs, such as severance pay graded according to service years, vesting of pension rights, supplementary unemployment benefits, etc., as already noted, incline employers to the attrition approach.

In firms where the changes are gradual over a longer time period and affect a smaller number of employees at any one time, the attrition approach requires only relatively simple techniques. However, where the change threatens to create a larger manpower surplus more sophisticated methods may be used. A large electric power corporation, for example, created a central employment pool. Employees affected by change may be transferred to this pool and temporarily assigned to various departments until attrition or expansion creates vacancies for permanent positions. A similar method used is the establishment of a pool comprising substitutes for emergencies. An oil company again instituted a training pool in which employees are trained in skills expected to be needed in the near future.

Some of the case studies of manpower adjustment measures serve to illustrate the variety of situations in which the attrition approach was used effectively by Canadian firms.

## EMPLOYEE TRANSFERS AND SENIORITY

This section deals with employee transfers within a company as a measure of manpower adjustment to technological and other change and with the effects of seniority on such adjustment. The two questions are considered together because seniority is generally the governing factor in determining which employees are entitled to transfer to other work and what rights they will carry with them as transferees.

Seniority in some form is usually the main means of job protection available to most employees. Changes in seniority systems designed to improve their effectiveness as a means of job protection should also be designed to facilitate the implementation of manpower adjustment programmes made necessary by the kinds of technological and other changes occurring now and in the future.

Three particular types of broader and more flexible seniority provisions may assist in facilitating manpower adjustment. The first is the temporary broadening or extension of seniority rights to deal with a specific situation. The second is some form of plant-wide seniority, either with one seniority list or with portability of seniority between lists. The third is a seniority arrangement which will facilitate the interplant transfer of employees in multi-plant companies.

A temporary broadening or extension of seniority will usually arise out of specific situations affecting employees in one part of a plant. Arrangements will be made, sometimes by informal understanding, at other times by a special memorandum of agreement, which will allow displaced employees to transfer to jobs -- usually to vacant jobs only --



covered by other seniority arrangements, without the usual loss of seniority involved in transferring to a different seniority list. Displaced employees may be granted preferential seniority rights to vacant jobs in other areas of a plant as the change affects their own area, or provision may even be made -- though this is rare -- for displaced employees to bump into other seniority groups in the plant.

Plant-wide seniority is generally the result of contract negotiations which have taken place without reference to a specific change. The simplest arrangement, where easy transferability is practical, is to have one seniority list for the whole plant. Where this is not practical, there may be provisions in the collective agreement for full portability of seniority between departments, when a displaced employee exercises his seniority to take an open job. In one Canadian case, two unions in a plant were jointly certified by the provincial labour relations board, bargained as a unit, and were governed by a single collective agreement. The plant-wide exercise of seniority in that case involves not just transferring between departments but may involve transferring from one union to the other as well. In another case, where certain crafts were disappearing, the former craft seniority lists were replaced by seniority according to broad classifications of jobs; transfers between these classifications are permitted where a job becomes vacant and where the applicant is qualified.

Interplant transfers may involve seniority lists directly or, at the other extreme, may have only a remote connection with seniority, if any. The first case is illustrated by an airline whose sales employees are located across the country. The only restriction on transfer is that the company is not automatically

committed to transferring employees between cities; the collective agreement does, however, lay down machinery for inter-city transfer on a seniority-preference basis. In some of the rail unions, seniority has been broadened to an 'area' basis, which allows employees to bump from one location to another within the geographical area: to accomplish this, older seniority lists were amalgamated, dovetailing the seniority of these lists.

In another of the cases, that of a multi-product firm with plants across the country, arrangements have now been worked out to allow displaced employees to transfer between plants and between unions, carrying with them a special 'transfer seniority' based on one year for every five years of company service. The plan is based on the participation not of various unions but of various plant locals which may decide to associate themselves with the transfer programme.

At the outer extreme, among the cases studied, is a situation in which, on a seniority basis, employees transferring on their own from a closed plant to other plants of the firm would be accorded preferential hiring rights.

Basically, the cases mentioned suggest that where an employee transfers from one company location to another under a negotiated, or otherwise agreed, transfer programme, the company covers either all or most of the employee's moving expenses. In one case, the proportion of cost allowed the employee has yet to be worked out with the federal government's programme of mobility grants and loans. Federal mobility assistance has already been provided in a few major displacement situations, through the Manpower Consultative Service and the National Employment Service.

## Case Study Illustrations

Case No. 1 - Dominion Engineering Works Limited,  
Lachine, P. Q., plant -  
International Association of Machinists,  
and International Molders and Allied  
Workers' Union -

This company employs 2,600 people in the production of machinery and metal products to order. Recent adjustment problems have arisen from the installation of new machinery and from changes in work methods and organization. All equipment changes are now discussed by the company in advance in committee meetings with the unions.

In the larger of the two unions with members in the plant, seniority is by classifications of related jobs, arranged in departmental seniority lists. There is no bumping within classifications, and layoffs are in reverse order of seniority.

If an employee transfers to another job within his classification in the same department, he carries his seniority to the new job. If, to prevent a layoff, an employee transfers to a different department, his transfer becomes permanent after eight months and his full seniority becomes established in the new department.

Case No. 2 - Hydro-Electric Power Commission of  
Ontario -  
Canadian Union of Public Employees -

In this public electric utility, planning began in 1955 for the gradual introduction of electronic data processing, to begin operation in 1958. Starting in 1957, vacancies in the accounting department of the company were filled with temporary appointments, so that permanent employees could move into these jobs as the new accounting system was introduced.

A special central payroll was also set up under the direction of the central personnel office. Employees who were declared surplus were placed on this central payroll, at their existing rates of pay. Employees on this payroll were loaned out to various departments or given special work until permanent openings occurred.

Under the collective agreement, the union can refuse to allow specific transfers and can insist that vacancies be filled through the job posting arrangement. In order to facilitate the placement of people declared surplus, however, the union has waived the job posting requirement. A reasonable period of time is allowed an employee to decide whether or not he is willing to accept a new job offered under the special agreement. If he refuses, he can still exercise his right to bump a more junior employee; but this right is seldom exercised.

As at September 1966, 157 employees had been affected. Of these, 65 left voluntarily or retired, 82 transferred to equal or better jobs and 10 employees were still in jobs "below the guaranteed salary range".

Case No. 3 - Manitoba Rolling Mills Limited,  
Selkirk, Manitoba, plant -  
United Steelworkers of America -

This company, which then employed some 700 people, decided in 1963 to replace its existing plant with new buildings and equipment. At the time, the union was notified that the change was planned; and when, in October of 1965, the final change-over date was decided, the company and union established a Joint Committee to plan manpower adjustments. It was expected that 150 jobs would disappear.

No permanent hiring took place after October, 1965, in order to provide openings for permanent employees affected by the change. It is also expected that a few more openings will be created by employees taking advantage of the early retirement provisions of the collective agreement.

The Joint Committee agreed soon after its first met that departmental seniority would be waived during the change-over period and that employees affected by the change could exercise plant-wide seniority to fill openings either in the new operation or in the existing plant, as they became available.

Case No. 4 - Windsor Daily Star,  
Windsor, Ontario -  
International Typographical Union  
and various other printing trades -

The introduction in 1963 by this daily newspaper of punched tape and 'photon' processes for the setting of copy will result, over a period of years, in some reduction in the printing staff. Under a long-existing understanding between company and union, no one has been laid off. Any reduction in the number of employees is by attrition only.

To supplement the attrition process, the current collective agreement embodies a change from a departmental system of seniority to seniority by six broad job classifications, more in keeping with the new printing methods. Since the new processes cut across the old departmental lines, these lines had to be abandoned.



PROPOSED MEASURES TO FACILITATE  
MANPOWER ADJUSTMENT TO TECHNOLOGICAL AND  
OTHER CHANGE - NINE SELECTED CASE STUDIES

by

G. K. Cowan

Economic Council of Canada

## INTRODUCTION

Information was sought from unions, companies, federal and provincial governments, universities and from available literature in a large number of cases where manpower adjustment programmes were known to exist or to be in preparation.

Some 40 cases were selected for investigation. Many similar and possibly better examples may exist. Since it was not possible, however, to conduct a complete industry-wide survey, not all cases came to light, while others could not be included due to limitations on time and on usable material. The material presented is valid up to the date of final preparation, September 30, 1966, and represents a statement agreed upon by appropriate labour and management representatives in each instance.

For the same reasons these examples are not to be considered the typical or the average kind of approach taken by Canadian companies and unions. Certain glaring failures to deal with the manpower consequences of industrial change are well known. What the cases studied do illustrate is that a variety of methods for resolving these problems have been effectively employed in particular instances.

Special appreciation is extended to the many company and union officials for their extensive assistance in gathering and preparing this material and to the Federal Department of Labour and the Manpower Consultative Service of the Department of Manpower and Immigration who provided much useful information.

Studies have been prepared in the following cases. Those marked with \* have been selected as representative and are set out in this paper.

## NAME

- Air Canada Reservation Centre - Toronto, Ont.
- \* Alberta Government Telephone Commission
- Aluminum Company of Canada Limited - Arvida, Que.
- \* Bowaters Mersey Paper Company Limited -  
Liverpool, N.S.
- Canada Iron Foundries, Limited - St. Thomas, Ont.
- Canadian General Electric Company Limited
- Canadian International Paper Company -  
Gatineau, Que.
- Canadian Johns-Manville Company, Limited -  
Asbestos, Que.
- \* Canadian National Railways - London Shops
- \* Casavant Frères Limitée - Saint-Hyacinthe, Qué.
- \* Cleyn and Tinker, Limited - Huntingdon, Que.
- Consumers' Gas Company - Toronto, Ont.
- Dominion Engineering Works Limited -  
Montreal, Que.
- Dominion Road Machinery Company Limited -  
Goderich, Ont.
- \* Domtar Limited
- General Steel Wares Limited - Toronto, Ont.
- Horton Steel Works Limited - Fort Erie, Ont.
- \* Hydro-Electric Power Commission, Ont. \*(a), (b)
- Imperial Tobacco Company of Canada, Limited
- Imperial Oil Limited
- Labatt's Ontario Breweries Limited - London, Ont.
- Manitoba Rolling Mills - Selkirk, Man.
- Manitoba Telephone System
- Metropolitan Corporation of Greater Winnipeg
- \* Moirs Limited - Halifax, N.S.
- \* Pacific Press Limited - Vancouver, B. C.
- Philips Electronics Industries Limited - Toronto,  
Ont.
- Silverwood Dairies, Limited - London, Ont.
- Somerville Industries, Limited - London, Ont.

Company: Alberta Government Telephone Commission  
No. of Employees: 5,717  
Unions: (1) International Brotherhood of  
Electrical Workers (CLC,  
AFL-CIO)  
Membership: 2,000 (plant and traffic employees)  
(2) Employees Association - non-  
affiliated - clerical employees.

Nature of Change: Continuing introduction of automated equipment and reorganization to accommodate technical improvements and the requirements of expansion.

Advance Notice: Quarterly Review Board meetings, which are held with the union, are set up in all plant operations of the Alberta Government Telephone Commission under provisions of their contract to deal with department-wide aspects of labour relations, including notices of forthcoming changes which are provided by the Commission as soon in advance as can be arranged, normally several months.

Attrition: Since a large proportion of staff is female there is considerable turnover which has provided sufficient openings to take care of people made redundant by changes of different kinds. It is expected that attrition will take care of any staff surpluses in particular areas which might arise in the foreseeable future. Forced layoffs in traffic and clerical forces have been non-existent.

Retirement Before Normal Retirement Age: Employees retiring, resigning or dismissed by the Commission, shall be entitled to a pension on completion of terms of service as follows:

- (a) When an employee's age is sixty years and the terms of service is twenty years;

- (b) When an employee's age is fifty-five to fifty-nine years and the term of service is twenty-five years;
- (c) When an employee's age is less than fifty-five years and the term of service is thirty years;
- (d) When an employee is totally disabled and the term of service is ten or more years.

Training and Retraining: Due to the continuing technological changes in the telephone industry, highly developed training programmes have been established at Alberta Telephones for many years, planned jointly by the Commission and the Union. Specialized training continues on the job based on classroom instruction given to employees in those areas where changing equipment, methods and practices dictate the requirements.

A basic skill improvement programme is continually under way during the months of November to the first of June providing an opportunity for journeymen to update their knowledge in basic electricity, basic electronics and transmission. This training is administered jointly by management and the Union.

An improved technically updated apprentice programme has been developed and administered since 1961 under a tripartite arrangement of the IBEW, the Commission and the Alberta Government.

Relocation Allowances: An employee moving from one area to another at his own request covers his own expenses. Employees who are moved by the Commission particularly as a result of changes brought about by management decisions are provided with a variety of allowances: \$8.00 a day en route during the period of transfer with \$3.50 per day at certain specific more



expensive locations; transportation is supplied by bus or train or mileage if a car is used; married employees may claim allowances for themselves while waiting for their family to move if this is essential; the Commission pays the actual cost of moving, including crating, cartage, storage, actual out-of-pocket expenses and the cost of maintaining residence for the family at the former location for a limited period while the change is being made; payment of \$25.00 is made for disconnection of appliances and utilities and up to \$25.00 for reconnection of such appliances in the new home; employees moving from private residence are entitled to an additional adjustment allowance of \$100.00 for home expenses.

The basic principle of the above allowances is negotiated with the Union.

Prior Consultation and Joint Study Committees: For some years the agreement between the IBEW and the Commission has contained a Quarterly Review Board mechanism. Regular meetings are held once each quarter of the year with special meetings upon written request of either party. Minutes are approved by department and union representatives. Subjects include any and all matters of concern to either side. They include consideration of manpower plans in the light of projected changes and any matters arising out of provisions of the agreement which have a direct bearing on the relationships between labour and management. Care is taken not to interfere unduly with the bargaining and grievance procedures.

Joint study committees have been used to study special problems and report back to the Review Board. There have been tripartite committees also -- government, management and union -- on Alberta apprenticeship regulations and in-plant training as noted.

Company: Bowaters Mersey Paper Company,  
Liverpool, N.S.

No. of Employees: 800

Unions: International Brotherhood of Pulp,  
Sulphite and Paper Mill Workers  
(CLC, AFL-CIO) Membership: 450

United Papermakers and Paperworkers  
(CLC, AFL-CIO) Membership: 80

International Brotherhood of  
Electrical Workers  
(CLC, AFL-CIO) Membership: 30

Nature of Change: In 1962, the Bowaters Mersey Paper Company plant at Liverpool, N.S., was considering the installation of more automated machinery. It was clear that manpower would be affected. At the same time, union leaders were brought in and the entire proposal for production changes discussed with them. This was at least a year in advance of any actual job change. An informal arrangement was thus instituted by which the exact manpower changes would be worked out in full joint consultation with the unions. Later in 1962 broad details of a programme for handling adjustment to automation were written into the general labour contract of the Eastern Canada Newsprint Group of Companies and which includes the Bowaters Mersey Company.

In the fall of 1962, the Nova Scotia Labour-Management Joint Study Conference set up a study group to look at the problems of adjustment to automation. The Committee for its first study relating to plant level problems included the president and union head of Bowaters Mersey and research was based largely on that plant's experience. This study was subsequently accepted by the Study Conference as a recommended guide for other Nova Scotia companies and unions.

Since the initiation of the Liverpool programme, summer 1962 to September 1965, 40 jobs have been eliminated through productivity improvement measures. Every employee affected has been placed in another job within the Company without loss of pay or status. Subsequently, the introduction of continuous operations led to an increase of some 40 jobs.

Advance Notice: Initially an informal arrangement was made whereby the Company asked the senior Union representatives to discuss with them projected changes in organization, machinery and plant, virtually at the same time as information was available. A provision has now been added to contracts with the local unions whereby the Company is committed to notifying Union officers about such changes as "early as possible".

Joint discussions on early stage plans have taken place as long as three years ahead of expected actual implementation and even where there was no certainty of implementation.

Training, Retraining and Basic Education: It has been agreed that where a man is capable of being retrained for a new kind of work, training will be undertaken by the Company. In some cases this has meant placing a man on a new job as a trainee for up to two months until the new job is learned. The man remains on his old pay scale, however, until he undertakes the new job as his sole responsibility.

Transfer - Seniority: The usual problem of employee seniority was present when it came to shifting men into different departments. Here the full co-operation of the unions and the men was essential. Where required, Union officers and the men have agreed to waive seniority rights within a particular union to permit the placing of a displaced man. In one case the movement of four men crossing seniority lines was required in order to open up an unskilled job for a man who had little background for retraining, and would otherwise have been laid off.

There has not been any crossing of union lines, however. All seniority adjustments have taken place within one or another of the unions. All of the 40 moves noted above were made without any employee losing financially. In some cases, in fact, there have been wage and job improvements.

Prior Consultation and Joint Study Committees: A programme is conducted as follows:

- (a) Continuous regular contact between plant and Company Management and Union Officials - The President holds regular discussions with the Head of the Union as does the Manager of Industrial Relations and the Head of Manufacturing. Top Union officials are informed daily of progress and problems as they arise in regular operations. Foremen and supervisors are also encouraged to keep Union stewards and employees continually informed of progress and problems at each working level.
- (b) Periodic Meetings of Union Committee and Company Officers - On all problems requiring joint consideration, difficulties are discussed in meetings between Company officials and Union officers. For example, following the announcement of the projected production improvement, full and continuous joint planning of the manpower changes was undertaken.
- (c) Mutual Interest Board - This Board consisting of about 15 senior people from the Union and 15 senior people from the Company meets three times a year. The President and plant officials present to the group all production plans, the problems of marketing, long-range capital programmes, the current



financial position of the Company and any other information of interest. Free and open discussion is the rule along with a broad exchange of information in meetings which last from two to three hours. Only matters of 'contract' are forbidden.

- (d) Consultation with Individual Employees - Once the Company and Union officials agreed on the manpower changes, the people to be affected were contacted by both the Union and the Company. The Union steward of the area in question is brought in first. Then the whole problem is discussed with each individual as far as possible in advance of the change. The individual's opinions and desires are sought and accommodated when feasible, particularly where a choice of job exists. Discussions with men being shifted sometimes have called for several interviews before the person is satisfied with the change.

The willingness of the Company and the Union to take considerable time and effort on each case until displaced men are properly placed -- often at considerable expense -- has been an important feature in the effectiveness of the programme.

- (e) Monthly Newsletter - Each month a newsletter of two or three pages is prepared by the Company, signed by the Plant Manager and placed on all employee notice boards. It is also available to any employee upon request. This notice gives a picture of current operational problems, market



conditions, projected changes in the plant and other information of interest to employees. A Quarterly Magazine covering general employee and Company happenings is also provided for all employees.

Company: Canadian National Railways,  
Montreal, Quebec.

No. of Employees: 93,000

Unions involved at the CNR London Shops

Membership: Approx. 400

International Association of  
Machinists

International Brotherhood of  
Boilermakers, Iron Ship-  
builders, Blacksmiths, Forgers  
and Helpers

International Brotherhood of  
Electrical Workers

United Association of Journeymen  
and Apprentices of the Plumbing  
and Pipefitting Industry of the  
U.S. and Canada

Brotherhood of Railway Carmen  
of America

Sheet Metal Workers' Inter-  
national Association

Canadian Brotherhood of Railway,  
Transport and General Workers

Nature of Change: The desire of Canadian railway companies to reduce operating costs has been accentuated since World War II by a greatly increased volume of trucking and automobile use. The resulting reduction programmes have caused both considerable manpower dislocation and major employee reductions.

This study will deal with the recent closing of the London, Ontario, equipment maintenance shop and the manpower adjustment programmes developed for this purpose.

Development of the current CNR manpower adjustment programme followed some years after the Company's decision in 1951 to change from steam to diesel-electric locomotives on a system-wide basis accompanied by a progressive closure of steam locomotive repair shops which culminated in the closing of the motive power repair shops at Stratford, Ontario. During the early years and up until a new manpower adjustment plan began at Stratford in 1958 large numbers of employees were displaced and lost employment with

the CNR. No special plans beyond ordinary contract provisions were made in the majority of cases of displaced employees during this period except that laid off employees were given preference for jobs in other sections of the CNR.

Great concern was expressed publicly by communities where shops were being closed and by the press and spokesmen in Parliament about the changes taking place. Railway trade unions not only stated their fears but proposed a variety of remedial measures. At the same time, public demand for reduction of public expenditure on railway operations was increasing, coinciding with the CNR's aim to improve both its efficiency and its manpower programmes.

London Shops Closure: The closure of the London shops in the CNR's facilities improvement programme was completed in the summer of 1966 and affected between 350 to 400 employees. Since the work at the London shops was transferred to other points, virtually every employee who chose to move from London could have been accommodated at other CNR points, most of them in equivalent jobs.

In 1960, as a result of the closing of the passenger car section of the London repair shops, 160 jobs became redundant - affecting employees as follows:

54 transferred with their work to Toronto and Montreal

15 moved to other CNR departments

13 took early retirement

48 resigned

30 in total were laid off including those who did not wish to move from the London area when offered other CNR jobs.

As well, 54 'bumpings' took place into the freight shop, in some cases to lower-rated jobs. All Toronto vacancies were filled but 48 Montreal vacancies offered to this group remained unfilled for a variety of personal reasons.

Manpower Research: As part of an evaluation programme, the CNR conducted a research study of the London and Moncton passenger shop employees who transferred to Winnipeg, Toronto and Montreal to ascertain factors affecting mobility and to try and improve adjustment programmes. In general, it was found that the social and psychological factors such as home community, proximity to relatives and friends, etc., were just as important to employees as economic factors when considering moving. Economic factors, particularly home ownership, were critical. Among the many factors uncovered through this study were such items as the need for longer advance notice to improve the chances for selling homes; more details on moving, housing and education in new cities to be made available; all parties should receive available information; more assistance needed to cover moving costs. Closer co-operation with Union Officers was also a clear need along with opportunities for every employee to discuss his personal problems in a proper interview situation.

A study programme including a special research project financed by the Federal Manpower and Immigration Department under the direction of a joint labour-management committee is now being conducted in connection with the manpower changes expected in modernizing the CNR ferry service from North Sydney, N. S. to Newfoundland.

Advance Notice: Specific notice of the closing of the passenger coach section of the London Shop was given three months ahead of the actual date in 1960. More importantly, the announcement and subsequent discussions with the shop craft union made it clear that in five or six years

the much larger freight shops would also be closed and the work transferred to Toronto and Montreal. At that time, employees and the Unions were informed that an adequate phase-out programme would be developed and that every employee would be given full consideration.

In 1964, the Company reconfirmed, with a more immediate notice, the closure of freight shop facilities including in it more details. The plan called for a two-year phase-out beginning in 1965 and extending through the summer of 1966. This was announced to the Union, to management and to all employees in a series of meetings. At the same time the Company offered to plan the manpower details well in advance in joint co-operation with the Unions.

Announcements were made to community officials and the general public at the same time.

A counselling service was provided as well so that every employee could have a detailed discussion of his various alternatives well in advance.

Attrition: Since 1960 when the announcement was first made, hiring for replacement of retirements and normal quits was almost completely stopped so that the work force at the time of the closure would be equivalent to the number of jobs available for those willing to transfer with their work out of London. A shortage of skilled help was of assistance in meeting the problem of change-over.

Early Retirement: The early retirement feature of the pension plan was utilized by 13 employees. Details are noted under the pension section.

Training and Retraining: Most transferring employees moved with their own work to Toronto or Montreal and a minimum of retraining was required. Some employees



were trained, while still in London, for work available in Toronto which they subsequently took. Other transferred employees were provided with on-the-job training at their new place of work.

Transfer - Seniority: Contractual seniority provisions had to be followed. If a man in the trade group moved with his work, his seniority remained intact in the new shop. Otherwise a transferee dropped to the bottom of the seniority list in the new plant. Top seniority men were given first choices. A 90-day trial period also applied.

In the final phase in 1966, employees "transferring with the work" to Montreal did so with full seniority. Those who did not wish to transfer to Montreal had the opportunity, in accordance with a major change in general shop craft seniority and related rules effective November 1965, to use full seniority rights to displace other CN employees within the Great Lakes Region.

All London employees affected were offered jobs in the Company -- in most cases in the same kind of work and involving the same pay. CBRT Union members used the provisions of their own contract to move to other jobs within their own CNR seniority district.

Relocation Allowances: For the 1965 and 1966 phases of the closure of London Shops, all employees were provided with relocation allowances as detailed on Page 13 under "Recommendations".

Phase-out: A plan was worked out in detail to phase-out the closing of the London Freight Shops over a 2-year period facilitating manpower changes. Among other items no layoffs were scheduled during the winter months period of higher seasonal unemployment.

Severance Pay: A work security fund recently negotiated was available for the 1966 final layoff at London. Employees received benefits under this supplementary benefit plan which provides \$12.00 a week up to 52 weeks depending on years of service, or a lump sum in leaving. No severance pay was available in previous layoffs.

Pension Provisions and Early Retirement: Throughout the London Shops closure early retirement pensions were available.

CNR Pension Programmes have, for a considerable number of years, been planned and administered by a Pension Board on which sit three Union officials along with management representatives. Pensions are not negotiated.

Early retirement is available for employees aged 55 whose total years of service, plus age, add up to at least 85 years. From January 1, 1961, a revised pension plan provides that any employee with at least 15 years of service and whose age plus years of service add up to 60 years or more becomes eligible for a deferred pension graded in accordance with these factors should he leave the CNR.

Pension amounts are based on years of service and the average of the last five years of a man's pay with the CNR.

Prior Consultation and Joint Study Committees: (Prior consultation is covered in "Advance Notice" section). In February 1965, some six months in advance of the first transfer of work from the London Shops, senior Union representatives from the various groups affected and Company officials from the Region as well as from Head Office met, at the Company's invitation, to consider the advisability of a joint study of the manpower consequence:

of the shop closure. Agreement having been arrived at with the shop craft unions, the following month a joint steering committee consisting of four (later five), management and four labour representatives was established to develop terms of reference and to oversee the manpower study. This Joint Steering Committee in turn set up a joint study team of seven people, three Company and four Union representatives. (The CBRT Union did not participate in these joint committees.) The Joint Study Team immediately determined priority items, and commenced studies in the following areas: work transfer to Toronto --employee communications, interview and counselling services; employees' personal data, moving arrangements, temporary housing or boarding accommodations and employees' attitudes and expectations.

Team members were assigned continuing assignments, e.g.: Union members of the team conducted a survey of employee opinion as to how the effect of the shop closure on employees could be minimized; Union and Company members contacted employees in other shops who had been required to move to learn details of the difficulties faced in transfer and relocation; the employee counsellor -- a management representative on the team -- obtained biographical and personal data from each of the employees and provided the Joint Study Team with a profile of the work force; and certain team members considered employee communication needs, real estate problems, alternative estimates of transporting household goods by rail or truck.

Recommendations: In April, the Joint Study Team submitted its first detailed report which, after discussion and minor revision, was submitted by the Joint Steering Committee to their principals, i.e., the Company and the official Union bodies. The recommendations which were accepted by both sides and implemented were as follows:

- (a) Door-to-door moving costs, including packing by professional movers, were paid for by the Company;
- (b) Up to \$100 provided to every family being transferred where it was needed for the cost of temporary lodging and meals;
- (c) \$100 provided to every transferred householder to cover such costs of home transfer as the replacement of curtains, drapes, etc.;
- (d) Temporary sleeping accommodation for employees was provided by the Company in an administration building at a nominal charge, and in sleeping cars located near the car shop which were supplied by the Company complete with linens, towels, soap and sanitary facilities. These were for employees' use alone until their families had moved to the new location and found a permanent residence. Employees were granted two days' leave without loss of pay when relocating household effects from London to Toronto -- three days to Montreal -- and were reimbursed where an automobile was driven to the new location.

National Employment Service: Officers were invited to come into the shop and to familiarize themselves with the skills of those men who chose to remain in London, and to make known to those men available jobs for which they might be suited. Full information was provided for NES from the time of the first announcement.

Brochures: These were printed and distributed to all employees who were being transferred. These provided detailed instruction on what was available to the man in the way of compensation for moving, how to apply and



all the procedures necessary to undertake the move. They also indicated what temporary accommodations were available, facts about education, real estate, etc., in the new area and other pertinent data.

Meeting with Employees and their Wives: A meeting with employees and their wives who were considering transferring was held in London. Officials of the Company and the Union explained details and answered questions. This was undertaken prior to final decision-making.

Counselling: Every employee was provided on a continuing day-to-day basis with an opportunity for personal counselling on the move from London, at which time he could express his concerns and enquire more fully about details of the move.

Familiarization Tours: The Company undertook to take employees to both Toronto and Montreal where they had an advance opportunity of investigating working conditions as well as living areas, accommodations, etc.

Results: The first phase of the closure of the freight car section of the London Shops took place on August 16, 1965, when some repair work was moved from the London freight car shop to Toronto. This opened up 53 vacancies in Toronto to which London employees were entitled, but only 34 shop craft employees chose to transfer to Toronto. When the final closure of the freight car shop took place in May 1966, out of 145 remaining shop craft employees, 57 retired, 54 transferred to other CNR jobs, 11 resigned and 23 were laid off, including those who decided not to accept CNR jobs in other cities. Five general stores employees were also laid off under the same circumstances.



Company: Casavant Frères Limitée, Saint-Hyacinthe, Québec.  
No. of Employees: 250  
Union: Union nationale catholique des menuisiers et facteurs d'orgues de Saint-Hyacinthe (CNTU)  
Membership: 208

Nature of Change: A modernization of the Casavant Frères plant, including the erection of new buildings and production machinery, took place in 1963-64. About half of the work force was affected.

Advance Notice: In June 1963, immediately following a decision by the Company to modernize facilities, a newly formed labour-management consultation committee was notified of the plan. Over a period of several meetings with the joint committee, the Company presented for full discussion problems of machinery layout, structure of the work force, choice of gang-leaders and their areas of control. Special sub-committees of the joint body worked on various details such as the use of adhesives, work methods, etc., and made recommendations to the larger committee. A detailed plan covering the entire change-over was developed during these joint discussions and amended as required by technical and engineering staff. The Company also laid before the joint committee the entire problem of personnel changes brought about by the planned modernization, including the difficulties of establishing job content in advance. It was made clear that a number of changes might have to be made at a later date once experience had shown what could be a practical work content for each person on an altered job.

A construction programme was followed by the placement of machinery during the succeeding months and the new production facilities were started up in late summer of 1964. More than one year of advance notice had been given.

Training and Retraining: Because of the movement of half of the work force into new kinds of work or altered work, a large number required retraining on the job. Some 12 men were given extensive re-training to learn entirely new work. Training has also been a continuing subject of discussion by the joint committee.

Transfer - Seniority: The transfer of workers was carefully planned in the joint committee. Careful consideration was given to seniority as outlined in the contract, as well as to the ability and skills of individual persons. One third of the employees went to considerably changed jobs. Others moved to new areas but handled the same work. More still had slight job content changes in the new surroundings. When all the changes had taken place, two men were laid off for a period of one and one half months.

Joint Consultation and Joint Committee: In 1963, it was decided to establish a joint committee for non-bargaining consultation along the lines of the federally sponsored labour-management committees. The Union Executive was invited to appoint four members. They have consisted of the president of the local union, another union executive and two delegates.

The Company is represented by the president, an engineering specialist and a foreman. A permanent non-participating secretary is also appointed by the Company.

Union delegates are rotated frequently, excepting the president, in order to allow a wider participation in the work of the committee by employees and to prevent any charge of favouritism against particular members. Foremen and Company specialists are also changed around regularly. Others are invited to attend meetings when their special knowledge will be of value in discussing a particular subject matter.

The committee meets once a month.

In order to deal with special problems and with detailed technical issues, the committee appoints special ad hoc joint sub-committees who, after thorough study, report their recommendations to the larger groups.

The joint committee proved highly effective in assisting the modernization programme along the lines discussed in the advance notice section. There were, of course, problems. On its side, the Company found that the work of the joint committee sometimes usurped the authority of the foreman and disrupted the important chain of command in line operations. Union officials sometimes were told of Company decisions and policy at joint committee meetings before the lower levels of management had been informed, thus causing embarrassment. At other times joint committee decisions cut across decisions which had already been made by foremen and Company officials causing disturbance and confusion. Also, the technical staff of the Company tended to give priority to projects requested by the joint committee while requests made directly to them by supervisors had to wait.

In order to resolve these problems, it was decided that any suggestion brought to this joint committee by a Union member, must first be made by the employee to his foreman so that the latter may have an opportunity to act. A procedure has also been set up which permits a joint sub-committee to look into cases where a foreman rejects an employee or Union official's recommendation so that both sides of the problem may be aired with the full committee if the suggestion is brought to them.

At the same time foremen making suggestions to the joint committee must first discuss them with their superintendent to permit normal management

action. Similarly, technical staff are now advised to pay adequate attention to requests for assistance made directly to them by line supervisors.

The rotation of Union appointees to avoid charges of favouritism has been noted.

Regular monthly meetings of the joint committee continue with special meetings or joint study committees called as they are needed. Subject matter includes not only advance planning but all and every subject of interest to either side. Bargaining is excluded. Many problems which would normally result in grievances, have been resolved in these joint discussions.

<u>Company:</u>	Cleyn and Tinker, Limited, Huntingdon, Quebec.
<u>No. of Employees:</u>	Leach Textiles plant 85 -- Fawcett & Grant plant 80
<u>Union:</u>	United Textile Workers of America (CLC)

Nature of Change: In 1953, Leach Textiles, which later became Cleyn and Tinker Limited, purchased the weaving building, machinery and equipment of Fawcett & Grant in Huntingdon. Leach Textiles were operating their own weaving plant in Huntingdon at that time.

In 1960, a decision was made to amalgamate the two weave rooms, with the auxiliary feeder units such as warping, weft winding, etc., at the Fawcett location.

Construction of a new weave room to accommodate all of the Leach and Fawcett looms was commenced in the spring of 1961 and was completed in late October of



the same year. The new combined weave room was built adjoining the old Fawcett weave room. New and more efficient machinery was also installed at that time.

No layoffs occurred as a result of the amalgamation of the two weave rooms. The change-over also led to increased workloads and increased pay for most employees. A year was taken to complete the manpower adjustment programme. Layoffs were avoided partially through attrition and partially through expansion. The lack of other employment in the area provided impetus to avoid layoffs if at all possible.

Advance Notice: In the spring of 1960, the Company informed all the employees in the two mills that, over the period of the next two years, production weaving would be grouped at the Fawcett plant, including the auxiliary feeder units. For the remainder of 1960 and throughout 1961, employees and the Union were kept fully informed and numerous discussions were held with large and small employee groups before settling on individual workloads and layouts as prepared by the Company.

Training and Retraining: Warp hanging had been done by the fixers so the fixers who became full-time warp hangers were already trained.

The fixers required the most training. Whereas in the older set-up any fixer fixed any loom, now each fixer was assigned to a specific group of looms. Under the old system if a fixer could not fix certain types of faults, he could call another fixer for help and possibly never did learn how to fix those faults. Under the new set-up each fixer had to be taught to fix every fault.



Transfer - Seniority: It was agreed between the Company and the Union that all personnel being transferred to Leach from Fawcett or from Fawcett to Leach would move with their departmental and mill seniority intact. In general, the majority were transferred to the new weave room and on to the same kind of job that they had held previously. Some of the older employees, who found it difficult to cope with the increased assignments, were permitted transfers to other departments.

Work Week and Pay: Pay increases followed the change as job loads were increased considerably. All of these had been worked out previously between union and management and were put on a six-week trial period. No employee suffered a reduction in pay.

Prior Consultation and Joint Committees: No formal joint labour-management committees existed in the Leach Textile organization nor in the Fawcett & Grant Company. Furthermore, no such committee has been set up for the joint operation. However, two informal types of joint consultation have been used and were particularly effective during the period of amalgamation of the two production operations noted above.

For a number of years it had been the practice of Leach Company management officers to meet informally from time to time with Union officials to discuss production problems and other matters apart from the normal bargaining and grievance procedures. These meetings have been held when, and usually only when, particular problems arise and information of importance becomes available. On the prompting of either management or Union officials an informal discussion takes place on the current issue. The Company usually invites the Union to meet them on such matters as projected changes in production, problems of quality control, safety issues

and other production or general Company affairs which would be of interest to the Union. The Union has called for meetings with management on such matters as incentive schemes, work study projects, etc.

Virtually all of the plans for layouts and individual workloads for the amalgamated plant which had been prepared initially by the Company's Industrial Engineering Department were discussed with groups of employees from each of the areas involved. Union officers were included in the talks. A number of changes were made in the plans as a result of suggestions or criticisms expressed by employees. One very significant change which led to broad acceptance of a major improvement was made by a loom oiler.

Company officials and Union officers report that joint consideration of plans, which provided both an opportunity to explain why changes were being made and a chance for employees to suggest improvements or raise objections, resulted in general acceptance of the change, although there were many difficulties and misunderstandings, particularly in the early stages of the move.

<u>Company:</u>	Domtar Limited, Montreal, Quebec.
<u>No. of Employees:</u>	18,000 of whom 6,000 are salaried. In addition some 5,000 seasonal woodworkers are employed.
<u>Unions:</u>	Twenty-seven different national and international unions represent Domtar employees, including both CLC and CNTU affiliated groups as well as some independents. This is due to the fact that Domtar was formed by the purchase and amalgamation of a number of different companies in

in various product fields.

Approximately 120 different contracts are in effect in some 100 locations.

Nature of Change: As the Dominion Tar and Chemical Company grew in size so the problem of developing uniform personnel programmes became more complex. For example, many of the newly purchased companies operated a variety of their own pension schemes, arrived at through union contracts or Company arrangement. There were obvious advantages to consolidating these schemes into a single funding operation. The number of unions and the differing contracts made this an extremely difficult proposition.

Even more serious was the problem created by the Company's desire to rationalize a number of their plants. Such a programme called for the closing down of a number of older units and consolidation of production in newer and larger plants where the opportunities of longer runs provided the efficiencies desired. It was the wish of the Company as well as the Unions to alleviate hardships by looking into the possibilities of shifting displaced employees to new plants or to expanding operations as well as other means of manpower adjustment.

Joint Conference: Following preparatory discussions with CLC and CNTU officials the President of Domtar invited the Union representatives to meet with Company management in November, 1962. Almost all of the unions were represented, in most cases by their top international or national representatives, while the senior level officers of the Company were present. The two-day meeting was chaired by a neutral, on the joint invitation of both parties. Agreement was reached in a number of critical areas after which special joint committees were created to prepare detailed plans for presentation at the next joint conference which it was agreed should be held in one year's time. Such top

level meetings have been held each year, the last in October 1966, while committees appointed each year have continued their studies throughout the period in between. As a result, certain agreements have been reached designed to have overriding effect on individual local contracts. This study is confined, primarily, to these agreements.

At the third joint conference held in November 1964, the following set of common objectives, which had been prepared by a joint study committee, were agreed to as follows:

"A) To attain an economically sound, competitive and profitable operation which will make possible:

1. The satisfaction of consumer needs with quality products and services;
2. Improved wages and salaries and other conditions of employment; and
3. Improved returns to shareholders.

B) To increase job satisfaction through measures such as:

1. Full recognition by all concerned of the rights and dignity of employees;
2. Opportunities for employees to confer with Management through their representatives, on matters of policy and proposed policy change which affect employees, including matters beyond those concerned in the applicable collective agreement; and
3. The development of informed interest and meaningful participation by employees in the success of the enterprise.



C) Over and above the foregoing objectives, to recognize the promotion of the national interest and the growth of the Canadian economy as an overriding obligation."

Manpower Composition: In many of the plants being closed down or reduced in size, a long established work force has existed with a high ratio of older, long-service employees. This has created obvious difficulties for employees facing a change of location, both in loss of seniority and in leaving an area after a long period of residence.

Communications Programme: It was recognized at the first joint top level meetings that achievement of objectives would require adequate information programmes at the local plant level for both Company and Union officials. Once agreement at the top was achieved, the Company's and the senior Union representatives agreed to carry out a joint information conference in each area of Domtar. To ensure uniformity of information, the same Company people, and as frequently as possible the same Union people, were to make the presentations. In each area, heads of plants and other senior officers, along with the senior representative of each union in the district, met and discussed the pros and cons of the top level agreement. These meetings were also designed to encourage suggestions from regional officials for improving the agreements in the light of local problems and needs. Throughout 1964 and part of 1965 such presentations took place in all the Domtar areas and have resulted in a number of changes in the original agreements which were discussed and accepted at the top level conferences.

It was recognized at the top level conference that a second important communications programme is required whereby employees and local union and plant officials at each unit should be provided with a detailed



explanation of the agreements and their implications prior to the formal local union acceptance. As a result, the Unions, with the assistance of the Company, have agreed to undertake a more effective educational programme to ensure a wide acceptance and support. This programme has been partially instituted.

Advance Notice: At the first joint meeting of the senior labour and management officials in 1962, the Company declared itself in agreement with the labour position, that as much advance information as possible be provided to unions and employees whenever the Company has developed definite plans of reorganization or of technological change. The expected effect upon manpower should also be provided.

In practice, Domtar is now providing from one to one and a half years' advance notice and sometimes more. At the Company's Windsor Mills, Quebec, plant senior Union officials were informed confidentially two and one half years in advance, at the start of the initial engineering studies. Final notice was given to the Union and employees one year ahead of programmed implementation when the Board of Directors had agreed to the plan.

Attrition: When it is known that employee numbers are to be reduced at a particular plant, as little permanent hiring as possible is done until the change has been completed. In some instances temporary replacements are taken on where a job must be filled to permit continuation of plant operations.

Retirement Before Normal Retirement Age: Some Domtar contracts provide for early retirement and this has been used to accommodate manpower changes when required.

Training and Retraining: The Company undertakes to retrain employees when they have been transferred to new locations. An attempt is made to match the capacities of the men available with job openings. Consideration is given by the Company to using available provincial funds for training purposes under the Canada Technical and Vocational Training Assistance Act. To date very few employees have shown a willingness to take formal outside training.

Transfer - Seniority: The plan formulated at the above conferences for the transfer of displaced Domtar employees to other Domtar locations includes the following:

- (a) The plan will be administered by joint labour-management committees;
- (b) Local unions must agree to join the plan before they can participate in this programme;
- (c) Openings at all Domtar plants will be held for preferential hiring of employees displaced at other locations;
- (d) Any employee with seniority can 'bump' another employee of lesser seniority in another plant should there be no open jobs at the time of displacement under the following seniority provisions:
  - (i) For every five years of plant seniority an employee earns one year of transferable seniority up to a maximum of five years which he can use to acquire and maintain a job in another Domtar plant should he be displaced in his present one;

- (ii) During the first year of participation by a local union in the plan, only one year of transfer seniority can be used. During the second year of membership, two years can be used and so on up to a maximum of five years. This means that at the time of a local union joining the plan, no employee with one year of service or more can be bumped from his job by a displaced employee from another plant but employees with less than one year may be.
- (iii) All new employees will accept the terms of the plan as a condition of employment and will be subject to being bumped until they have had five years of employment.

Transferred employees must conform to the terms and conditions of collective bargaining at the new plant, including joining a new union if this is involved.

A period of delay in accepting an over-all transfer will be fixed by the joint committee.

- (e) The Committee in arranging transfers will give consideration to such factors as seniority, language, location, experience, skill and union affiliation and will avoid excessive assignment of transferred employees to particular locations;
- (f) An umpire will be appointed whose task it will be:
  - (i) To resolve differences between labour and management representatives on the joint committee arranging transfers;

- (ii) to dispose and make binding awards on grievances submitted by the Company or the Union on behalf of employees who consider themselves aggrieved by the administration or interpretation of this plan.
- (g) At each plant, if dislocation occurs, internal transfer from one job to another will follow the local agreement.
- (h) Although local contracts remain in force, the agreements at top level are bringing about the waiving of certain clauses in contracts to make over-all agreement effective.
- (i) To facilitate transfer of employees the head office of the Company has canvassed all geographic locations and has requested forecasts of employment requirements over the next two years. Each location has also been requested to freeze all local hirings and to make requests to the central office in case the openings may be filled with available displaced men;
- (j) All employees hired after April 1, 1966, are advised of the plan at the time of hiring.

Vacations and Pension Rights: Employees transferred to another location under this plan will retain their Company service according to total years of service in respect to pension and vacation rights.

Some 40 of the more than 100 local unions representing just over 30 per cent of the Domtar work force have signed the transfer agreement to date. Efforts continue to increase the number of local unions participating.



Relocation Allowances: The 1965 top level conference established a special joint committee to look into a variety of problems including relocation allowances which fall under the Committee's terms of reference entitled "Human Adjustment to Industrial Change". The decisions made on the findings of this Committee at the fourth annual conference held in October 1966 are now being considered by local union units. Until the present time relocation allowances and severance pay have been decided on a basis of local requirements and in arrangement between the Company and the local Union. The amount varies in every case but moving allowances are now being provided as well as separation allowances where an employee moves to another company or to unemployment if a transfer offer is refused. The joint committee's recommended new plan, involves the setting up of a \$5, 000, 000 fund under the joint administration of the Company and the Unions.

Phase-out: A deliberate policy of phasing-out operations has been applied by the Company to accommodate absorption of employees in other operations. At the Windsor Mills and Portneuf, Quebec, plants, for instance, delays of more than one year have been accepted by the Company while working out provisions of adjustment. In order to maintain the Portneuf operation until such time as employees can be transferred, and the final closing arranged, special work has been provided by the Company which would not normally have been arranged.

Severance Pay: To date this has been applied on the basis of local contracts. The top level meeting agreed not to establish an over-all separation allowance but left it to arrangement at local levels. However, a clause has been inserted in contracts stating that "all people will receive separation allowance who are working on the last day of separation of a plant closing-out unless their leaving has been approved earlier. Advance arrangements by the Company on the matter of separation allowance will have an end date". In general, this has meant from two days' to one week's pay for a year of service depending on age and seniority.



Pension Plans: The work of special joint committees and agreements made by the top level conferences has led to a new Company-wide pension programme which will be related to the government's Canada and Old Age Pension Plans. Labour representatives sit on the Board governing the new plan.

Special Joint Studies: In addition to the meetings above, special studies have been undertaken in connection with problems which have arisen at two Domtar locations where phasing-out operations were announced, namely, at the Windsor Mills and Portneuf, Quebec, plants. In both cases the studies were conducted by university authorities in labour relations under an arrangement with the Manpower Consultative Service of the Department of Manpower and Immigration. Their findings have assisted in making changes acceptable to the Unions and the Company.

<u>Company:</u>	Hydro-Electric Power Commission of Ontario, Toronto, Ont.
<u>No. of Employees:</u>	1950 peak employment - 21,187 1965 employment 14,996 of whom 12,207 are regular staff. The balance includes temporary staff, summer employment and construction employees.

(a) Construction operations

<u>Union:</u>	Allied Construction Council representing some 18 CLC construction unions.
---------------	---

Membership at

Location:

2,500 at present; up to 10,000 in the past peak periods.

(Study (b) on salary staff changes also undertaken)

Nature of Change: Following the war, the Hydro-Electric Power Commission was faced with the need to develop power rapidly due to a rising post-war demand. A tight construction schedule was therefore established for the huge Sir Adam Beck power project at Niagara Falls. The possibility of serious labour and manpower problems arising from the involvement of 18 different unions, bargaining separately, accompanied by the normal hazards of jurisdictional disputes, led to the formation by all of the 18 unions of an Allied Council which would act as a bargaining agent for the group. A contract was negotiated shortly afterwards, followed by the setting up of various multi Union-Company consultative committees to deal with manpower adjustments and other problems. The Niagara Allied Council represented all employees working on the site. New employees were required to be Union members already or become members within 30 days after starting work.

Ontario Hydro also faced the problems of finding large numbers of skilled workmen and drawing them to the Niagara site where there were no surpluses of trained construction workers.

The accomplishments of Ontario Hydro and the construction unions under these arrangements during the first 11 years of major construction projects costing nearly one billion dollars and employing more than 80,000 craftsmen have been: (1) only two days of work stoppages; (2) no work stoppages due to jurisdictional disputes (a very small number of minor disputes have occurred in the past four years); (3) one collective bargaining agreement which has greatly

simplified bargaining; (4) mutually accepted wage differentials between crafts; (5) flexibility of work force was provided -- i.e., employees in unskilled jobs could progress to more skilled jobs across union lines in the less skilled areas; (6) negligible employee turnover.

After the first year of operations at the Niagara site, Ontario Hydro recognized the Allied Council agreement for its province-wide line and construction work force and, in 1953, combined this agreement with the Niagara agreement into a master contract covering all of its construction work. The contract has been renewed at each bargaining period since that time and has covered such major programmes as the St. Lawrence Seaway Power Project and the current power plant construction at Sarnia and Toronto.

In addition, joint committees patterned after the Ontario Hydro arrangement have been set up and have operated for up to 10 years in some cases on the following major construction projects: Thompson, Manitoba; Pine Point, Alberta; Blind River, Elliot Lake and Chalk River, Ontario. A closely related process has been adopted at B.C. Hydro during the past four years of major construction programmes, and will be pursued as well in Manitoba on the Nelson River Hydro Project following the recommendations of the Manitoba Joint Labour-Management Committee on Legislation. Agreement has also been reached along similar lines for the construction of the new Welland Canal Twining Project.

Of primary interest for a general study of manpower adjustment programmes brought about by technological and other developments are the following items from the Ontario Hydro experience: (1) joint committees and prior consultation; (2) satisfactory resolution of jurisdictional disputes between different unions which are often brought about in construction

work by the introduction of new materials and new technologies which affect long standing Union trade lines of work and Company structures; (3) close working relationship with NES; (4) communications and training programmes; (5) transfers.

Problems: Over the years there have been unresolved problems and periods of difficulty in the working relations between the Unions of the Allied Council and Ontario Hydro as well as the accomplishments noted above. To some extent, for example, the difficulties evident in the current over-all Canadian labour relations scene are also reflected in the day-to-day problems at Ontario Hydro construction sites. At the present time Union leaders and Company officials are examining these difficulties with a view to finding effective solutions.

Advance Notice: Since 1950, all construction plans along with manning programmes have been presented for discussion to the Allied Councils by the Hydro and the construction companies in advance of actual work. Several months before the Seaway Project construction started, for example, discussions began with the Unions which would work at the site for the purposes of setting up an Allied Council.

Today the Allied Council is given months and frequently several years of advance notice on future construction programmes. This has permitted the making of policy jointly on manpower and other issues before construction projects have opened, preventing many misunderstandings and much confusion.

Attrition: Should an employee leave a particular construction site for any reason, his place would be filled by another employee on the site if the latter were eligible for the work and should he be faced with a cut from his own job due to the completion of the work.



Training and Retraining: In order to achieve an effective on-the-job working relationship between stewards and foremen, the Allied Council of the Unions ran training programmes for stewards at Niagara stressing the "philosophy of intent to co-operate". Similarly, the Commission trained foremen in the importance of a continuing co-operation with Union stewards. Contrary to the usual experience, Hydro management encouraged appointment of as many stewards as was thought necessary.

Transfer, Seniority and Employment: A number of unique manpower programmes have been developed.

From the beginning, a close working relationship was developed with the National Employment Service who in turn gave assistance in providing manpower from many areas for the widespread Hydro construction projects. For the Niagara site, for example, up to 6,000 workmen -- a large proportion of whom were skilled employees -- had to be found.

When an employee came to the Hydro Employment Office, referred by NES or other sources, employment interviewers informed him about the Union which would represent him and the cost of Union dues. The Commission arranged office space for the Union to meet with its members and where they could talk to new and former members. Union representatives, both local and international, were also invited to enter the project and to hold discussions with superintendents, foremen and stewards or employees on any problem which arose, including employment and placement. Unions worked closely with the Hydro's employment department during periods of transfer, layoff and rehiring.

Central Employment Bureau - Seaway Power Project: The Allied Council Unions agreed with the Company, after considerable consultation, that a co-ordination of employee hiring, placement and transfer was urgently



needed for the huge Seaway Power Project since almost all tradesmen -- a large number of whom would need to be highly skilled -- had to be brought from outside the area which was primarily an agricultural district. When sections of work were completed, speedy and effective arrangements would also be needed to transfer men from a completed operation to a continuing one. The various construction companies working on the site would also require assistance in sorting out employees who would be shifting from one company's jurisdiction to another and sometimes from one semi-skilled and unskilled category to another in order to avoid costly time losses for both the men and the contractors.

To provide both mobility and security of employment unions and construction companies through their joint bodies agreed to work through a Central Employment Bureau which was established at Cornwall and placed under the direction of NES working in association with Hydro staff. All hiring for the Seaway Project took place through this Central Bureau.

Interview Procedure: Special liaison was made with NES offices across Canada. A new interviewing and record taking procedure was established by the Hydro to help employment interviewers at NES offices in sorting out applicants who might suit the Seaway requirements. Each person interviewed by NES at any of their offices was reinterviewed following the Hydro procedure if he came within the general categories required. The record of the reinterview was then passed to Central Employment Bureau at Cornwall.

Upon examination of this record -- which was designed to provide more precisely than the usual NES form the skills and experience a man might have in relation to exact Seaway Power Construction requirements -- Hydro would notify the Central Employment Bureau who in turn would notify the NES office from whom a particular

record came to tell the man that he would be hired. Actual hiring took place when the man reported to Cornwall or to a sub-office at Morrisburg, providing he passed the usual general interview at the Central Bureau which was something of a formality.

The Central Bureau which had a detailed record of every manning requirement would assign the man to a site on the project where he would work under the direction of one or other of the contracting firms. When the job to which the man had been assigned was completed, he reported immediately to the Central Bureau and was at once reassigned to another job where manpower was required. If no work was available at the Central Bureau as the project drew to a close, the man went on to a seniority list under his own classification and would be laid off, subject to possible recall by seniority.

Special Training of NES interviewers was provided by Ontario Hydro so that the new interviewing and recording processes would be followed as precisely as possible to ensure that virtually all of the men sent to Cornwall would be suited to the jobs available.

The Central Bureau concept is thought to be the first of its kind in the Canadian construction industry.

Transfer Across Trade Lines: Not only on the Seaway but also on other Hydro projects in isolated areas, the Allied Council Unions agreed to permit semi-skilled or unskilled workmen to cross craft and Union lines when one job was completed and other on-site work in the same general unskilled category was still available. Dues went to the original Union, then to the new Union following signing up without an initiation fee.

Unnecessary layoffs and expensive new hiring were held to a minimum to the benefit of existing employees in providing more security and continuity of employment, and to the companies in holding down costs.

## Prior Consultation and Joint Committees:

### 1. Company-Union Committees

Regular monthly meetings (less frequently at distant sites) of Hydro management, international Union Officers from the Allied Council, stewards and construction company supervisors, were held at Niagara and subsequent projects to examine their working experience under the agreement. Full discussion was encouraged and all viewpoints were drawn out as far as possible. Through these regularly scheduled meetings issues involving the contract and matters that affected Union-Company relations, including manpower adjustment problems, were brought to an acceptable or workable solution.

If the problem proved to be a jurisdictional dispute between two or more unions over areas of work the unions were asked to deal with the problem themselves, separately, and to return with a solution. When the matter became a purely Company responsibility, the Company undertook to correct the problem wherever possible and reported back on what had been done.

In many instances, by joint agreement, precise contract provisions were laid aside and a problem was met on the basis of the needs of the specific situation.

Both sides attempted to pay careful attention to every detailed problem and to every relationship between them at all levels no matter how minute and insignificant it might seem. Discussions at the regular joint meetings were aimed at uncovering both the usual and the anticipated causes of grievances so that action could be taken in advance in order to avoid irritating issues on the job. Old grievances and problems were reviewed for this purpose. Hundreds of problems which could be classified as normal grievance-type issues were

resolved before they reached a formal grievance stage with both parties endeavouring to co-operate on the administration of the contract. In practice, disputes seldom went beyond the second stage and only three times in 15 years of council experience to the present year 1966 has there been a dispute requiring arbitration. And only one application for conciliation has resulted from all of the negotiations on agreements from 1950 to the summer of 1966.

## 2. Labour-Management Production Committees

One important factor at the Niagara Project as well as later operation was the formation of labour-management production committees at an early stage of the programme. These joint bodies were organized initially and assisted throughout by officials of the Federal Labour-Management Co-operation Service.

- (a) Divisional Production Committees were formed at each division of the project. Employees at each section of the construction site elected representatives to sit on each Divisional Committee. The Union steward was usually elected to meet on a regular monthly basis with the foremen and supervisors appointed by management. All matters of concern to either side were raised except negotiable items of contract or grievances which followed the normal channels up to the regular meetings of the Allied Council and the Company, if they had not been settled at lower levels.
- (b) Project Production Committees - Each Divisional Committee then selected representatives to meet with more senior management in charge of the entire construction project normally on a monthly basis.



This made it possible to bring to the top all matters that required attention. Minutes were kept at all joint committees and passed up to the higher level committees for study.

### 3. Foremen - Stewards' Meetings

Frequent Foremen-Stewards meetings were held to supplement the above. Part way through the Niagara Project a general meeting of all foremen and stewards was called on a Saturday and an entire day was spent reviewing their experience under the agreements.

### 4. Bargaining Meetings

When the time came to renew the contract, the Allied Council of Unions sat down with the top Hydro management solely for the purpose of agreeing on a contract. Bargaining has still proved to be tough and determined. Both parties agree, however, that it has not been cluttered with minor issues which had been resolved through the processes described, nor by undue suspicions and antagonisms which had been cleared away through continuous consultation and the evidence of good faith by actions.

### 5. Joint Management Organization

In June 1954, Ontario Hydro announced that it would contract out on the forthcoming St. Lawrence Seaway Power Project most of its work but would maintain a small force of its own for special operations.

Members of the Unions from the Niagara Allied Council and the Hydro Commission decided to duplicate the same institutions at the Seaway which they had enjoyed at Niagara. In addition, the idea of creating an employer's organization for the contractors was proposed to and accepted by the Canadian Construction Association.



The Commission then drew up a labour clause for its contracts with contractors requiring that all contracting companies join a special Seaway employers' association called the "Labour Relations Association" which had two main functions: "(1) to co-operate together to negotiate a common collective agreement, ensuring relative equality and uniform interpretations and administration; (2) to introduce and develop common policies and practices relating to employment, training, wage administration, safety, health and welfare, " etc.

Ontario Hydro was also a member of the management organization and maintained ultimate power should it be required, which it never was.

The Labour Relations Association had at its peak over 100 major and sub-contractors participating. Each major contractor was represented by the Executive Officer of its organization. First, the contractors met together, then they met jointly on a monthly basis with the Unions of the Allied Council which had been formed for the Seaway Project to review and examine their experience under a basic agreement that had been signed as the first major step in the labour relations programme. The effectiveness of these arrangements parallel those at the Niagara site.

Company: Moirs Limited, Halifax, N.S.  
No. of Employees: 800  
Unions: International Brotherhood of  
Teamsters, Chauffeurs, Ware-  
housemen and Helpers of  
America, Local 927. Membership: 100-125  
  
Bakery and Confectionary  
Workers' International Union  
of America, Local 446. Membership: 450

Nature of Change: The Company has, during the past six or seven years, undertaken extensive reorganization along with an efficiency programme. This has included the elimination of its trucking box factory and cleaning operations and other changes.

A joint seniority arrangement between the two main Union groups has been exceedingly helpful in planning manpower adjustment. This arrangement was set up in 1957 when both Unions achieved a 'joint certification' under the Nova Scotia Labour Relations Act which permits two or more unions to bargain with a company as a single unit, while retaining their identity in other respects.

Since both Unions held employee cards during the organization period, it was thought advisable, and in the interests of all Union members to arrange for joint seniority along with joint certification so that employees could move to better jobs anywhere in the Company as well as preserve jobs on a seniority basis in a time of layoff.

The Company was agreeable to this arrangement. Only six employees, members of a craft union not included in the arrangement, are excluded from the joint seniority programme.

It has also been the custom of the Company for a number of years to discuss with the Union and affected employees, changes resulting in manpower readjustment, well in advance of the action contemplated.

Over a period of six years employee numbers have been reduced by approximately 300. All but three of these employees have been placed in other jobs within the Company while maintaining their Company seniority under the joint seniority arrangement. Three have been retired early.

Advance Notice: Previously by practice, but now called for in the agreement, the Company informs Union officers of changes affecting manpower as far ahead as possible. In practice this has resulted in advance notices of from three to six months down to two or three weeks.

Attrition: Hiring to replace retirees, and those leaving for other reasons, has been stopped when it has been required to provide openings when reductions were severe. This practice has been particularly useful in ensuring that some seasonal employees who wish to remain with the Company can be retained.

Transfer - Seniority: The joint seniority arrangement provided for in the contract between the Company and the Unions permits employees to move across Union lines to take jobs that are open, should their own jobs become redundant.

A specialist in a higher paying trade, for example, could move over to a production line job if his seniority permitted. He would have to accept lesser pay but then could move back to his trade, maintaining his seniority throughout this period among the trade group.

Early Retirement: Three men from 65 to 68 years of age were retired on full Company pensions at the closing of the box plant operation. (Retirement age 70.) Supplementary income was also provided for the years prior to receiving government old age pensions.

Prior Consultation: All changes contemplated are decided upon solely by the Company but plans for manpower adjustment as prepared by the Company are discussed fully with Union representatives and suggestions for improvement are encouraged and fully considered. At the same time when a man has to be transferred and the Company and the Union are agreed on the transfer, the man affected is called in by the Company to discuss the change well in advance. If he has objections or choices, these are considered at that time. A Union representative may join in this discussion if the employee desires.

<u>Company:</u>	Pacific Press Limited, Vancouver, B. C.
<u>No. of Employees:</u>	1, 100 approximately.
<u>Union:</u>	Vancouver-New Westminster Newspaper Guild, Local 115, American Newspaper Guild.

Membership: 600 approximately.  
(An additional 380 employees are members of the CLC affiliated mechanical printing unions but are not covered in this study.)

Nature of Change: This Company, which publishes two Vancouver daily newspapers, formerly operated from three separate buildings. In 1964, a decision was made to consolidate all the operations of the Company into one

main building, including the complex printing operations. The change took place in the latter part of 1965. A number of changes in machinery were made at the same time along with the introduction of electronic data processing equipment in the office.

The consolidation of three different staffs normally would be expected to reduce the number of persons working and bring about many personnel problems. Anticipating these changes, new manpower adjustment provisions were written into the collective agreements and a number of programmes were enacted which were designed to relieve the adjustment problems. This study deals primarily with the change as it affected the members of the Newspaper Guild -- the largest group of employees -- and the resulting development of a special committee to deal with automation and manpower problems.

Advance Notice: Discussion of the expected changes took place several months in advance of the consolidation of Pacific Press staffs. Discussions of the possible effects of the new building on staffing took place during 1964 negotiations as well as at informal meetings.

The 1964-67 agreement with the Newspaper Guild calls for a six-month notice of any proposed staff reductions resulting from organizational changes or new equipment. The Newspaper Guild was told of the decision to install IBM equipment nine months in advance and discussions on details of the change continued with the Guild from that point.

Attrition: During 1964 negotiations the Company and the Vancouver Newspaper Guild, representing the office and building department, agreed on a guarantee of employment. Essentially, the guarantee ensures that there will be no layoffs of permanent employees on



staff at the time the agreement was signed for other than disciplinary reasons. Staff reductions affecting permanent employees would be by attrition only.

This agreement placed an onus on the Company to find new positions within the Company for employees whose jobs might disappear. For example, the work of the Company's addressograph operation was recently transferred to the Data Processing Centre leaving the former addressograph supervisor and two clerks redundant. These employees were relocated and re-trained in new duties.

When the decision was made to construct a new building and consolidate operations previously carried on in three buildings, it became obvious that there would be a surplus of janitorial help when the move took place. In order to minimize the dislocation involved, two things were done. In both instances, the actions taken were fully discussed with and agreed on by the Guild which represents these staff members.

First, it was agreed that men close to normal retirement age (65) would be encouraged to stay on beyond this age and to retire when the move to the new building took place. There were ten men in this situation. Five were pensioned when the change took place. Second, it was agreed that any men added to the maintenance staff prior to the move to the new building should be hired on a temporary basis only and be told that their period of employment would probably be ended with the completion of the new premises. About 20 men were hired on this basis to replace employees who left the Company prior to the move.

These two policies were in effect for 18 months. The policies did not "save" any jobs but did avoid any dislocation of employment so far as the regular staff

was concerned since turnover and temporary hiring in the 18-month period was greater than the staff reduction resulting from the move to the new building. The Company reduced its janitorial staff from 64 to 50 without laying off any regular employees.

Retirement Before Normal Retirement Age: There has been no programme of early retirement directly related to the manpower adjustment programme. A pension plan does, however, provide for early retirement at age sixty (60) and also for early pensions where total disability is a factor. There have been a few occasions when these provisions have been used.

Training and Retraining: The Company has made several retraining arrangements with individuals and groups of employees. Some of these arrangements related to the move to the new building while others had to do with new equipment installations.

Two former elevator operators were given typing training in the typing class established by the Company and were subsequently employed in clerical positions.

Coincident with the move to the new building the Company instituted a policy of having classified advertisements which are taken over the telephone and typed rather than written. Since few of the 70 full- and part-time ad-takers could type, the Company set up typing classes on Company time and over a period of several months these women received typing training.

Transfer - Seniority: Transfer has been widely used in order to stabilize employment. Employees in a department where a future surplus of labour is indicated are encouraged to apply for openings in other departments and special efforts are made to facilitate such moves.

Severance Pay: The office (Guild) contract provides for the payment of severance pay up to a maximum of forty-six (46) weeks, effective July 1, 1966, to anyone laid off or discharged for proper cause but not in cases of gross misconduct. Severance pay is earned on the basis of a week's pay for every six (6) months of service.

Under the office agreement employees occasionally receive severance pay. These are persons who are discharged for proper cause or special layoffs. Under agreement with the Vancouver Newspaper Guild permanent staff are guaranteed employment. There have been instances, however, when the Guild, Company and an employee himself, have agreed that he would be better off to leave the Company. In some of these instances the Company has paid severance to help the individual relocate. The number of all such severance payments would not be more than six a year.

Vesting of Pension Rights: Ten per cent of the Company's contributions are vested after eleven (11) years and this figure increases to 100 per cent at twenty (20) years. Employees receive only their own contributions with compound interest on same if they leave the Company and do not wish to leave their money in the pension plan.

Prior Consultation and Joint Committees: During the 1964 negotiations with the Newspaper Guild it was agreed on both sides that the kind of continuing changes which resulted from the introduction of new machinery, methods, etc., must be dealt with in some way other than in regular negotiations since discussion and joint consideration was difficult under hard bargaining pressures. It was agreed under the contract to set up a Human Relations Committee which has now been in operation for over two years. The Committee consists of three union members: the Guild's business agent, the president of the local union and one other. The three management members

consist of the employee relations manager, the assistant to the general manager and an industrial relations assistant. The Committee meets once each month and chooses its own chairman. Every subject that either side wishes to discuss is considered and has included a wide range of topics. In practice, the Committee does everything but negotiate. The meetings are held on a confidential basis.

In the words of the Agreement: "The function of the Committee shall be to review the possible effects on employment of Company organizational changes, including those resulting from the introduction of new processes, new methods and/or new equipment. The Company policy shall be to relocate and retrain where possible within the Company any employees whose job may be eliminated by said changes. The Human Relations Committee shall make recommendations to the Company on methods by which this may be accomplished in general and specific instances. It is agreed that necessary funds for retraining will be made available by the Company on recommendation of the Committee."

One of the first tasks undertaken by the Human Relations Committee was the discussion of manpower problems associated with the consolidation of staffs in the move into one building, giving particular attention to those employees who would be most adversely affected. Through the Joint Committee discussions and subsequent arrangements only three or four out of the 70 employees expected to be seriously affected by the change were not accommodated in the end.

The Committee is planning to attempt a streamlining of negotiation procedures through advance discussion in their next series of deliberations.

It was found that several meetings of the Joint Committee were necessary before an effective working relationship was established due to long established attitudes and lack of confidence.

The Committee has now found that many problems which previously resulted in grievances are being cleared away satisfactorily in the joint discussions.



GOVERNMENT POLICIES AND PROGRAMMES  
RELATING TO MANPOWER ADJUSTMENT PROBLEMS

The following is a description of government policies and programmes relating to manpower adjustment problems as of February 1967. It was prepared with the co-operation of the Department of Manpower and Immigration.

The other papers on measures to facilitate manpower adjustment to technological and other change, e. g., advance notice, attrition, transfers and seniority arrangements, joint consultation and joint committees, give some indication of what can be done at the enterprise level by labour and management to help promote adjustments to change. In some instances manpower adjustments may be worked out within the enterprise without reference to outside facilities and programmes. However, in many cases, particularly where the impending dislocative effects of change involve costly retraining measures, or involve transfers of employees to jobs outside of the enterprise, it will generally be necessary for the private parties concerned to co-ordinate their adjustment measures with adjustment measures available in the government sector. It is the purpose of this paper to describe some of the relevant federal manpower facilities and programmes which are available or becoming available to assist manpower adjustments.

#### Department of Manpower and Immigration

To carry out an active manpower policy the federal government in January of 1966 placed all manpower services into a single ministry. This is the new Department of Manpower and Immigration. The operating heart of the manpower side of the Department is the Canada Manpower Division. The most important segment of the Canada Manpower Division is the reorganized, and now renamed, employment service. As of last October 1, the field components of this service have been renamed Canada Manpower Centres. Extensive measures have been and are being taken to strengthen the personnel resources of the Manpower Division in order to provide service where it is especially

required, at the local area level. Moreover, provision is being made for extensive and continuing training of the staff of the Division in order to provide better service.

### Counselling and Placement Services

One of the most important adjustment measures is the pre-training and pre-employment counselling that the Canada Manpower Centres carry on as part of their day-to-day operations. These operations are intensified and extended when a substantial disruption to employment takes place. Counselling interviews explore the worker's employment problems, his individual resources, and the assistance available within a community. For some workers, a suitable adjustment means moving to a new job in a new industry, or moving to a community where work is available. But for others, adjustment does not come from such mobility. Related occupations are discussed with the worker so that he will be aware of the alternatives open to him, since a shift to an occupation in a related group will mean less disruption, and can take place more quickly. The scope of this operation is indicated by the fact that some 12,000 to 14,000 counselling interviews are given each month by the Manpower Centres in the Ontario Region alone.

Whenever the Manpower Department is informed of impending disruptions, meetings are held with the employers and with the unions to obtain accurate information on the size and timing of the layoffs, and the employee skills involved. Individual registrations for employment and counselling interviews usually take place immediately. The Manpower Centres make special surveys of job opportunities locally and

elsewhere. Once workers have been registered, officers of the Centres call on alternative employers, informing them of the skills of the workers who are available.

Government counselling and placement services have a particularly important role to play in the adjustment process when it becomes apparent that it is not possible to re-employ all of those displaced within a particular enterprise. However, if these manpower services are to be really effective, advance notice must be given to the appropriate manpower authorities as soon as the enterprise is aware of the impending dislocative effects of any planned technological or other change. In this connection, a senior official of the Department of Manpower and Immigration has stated:

"... the government, through the employment and manpower services should play a major role in facilitating the adjustment of those displaced to alternative employment opportunities. The effectiveness of the role of the employment service is directly dependent on the extent of which it has advance warning of impending displacements. The employment service, in those cases where permanent layoffs occur can best perform its functions of counselling about alternative job and training opportunities, the actual placement of workers in alternative employment, the assisted mobility of workers to new areas, or their referral to retraining programmes if it has sufficient time to plan and provide for the adjustment of workers through these various techniques. In general, the shorter the notice to the employment service and the less their involvement in the redeployment of manpower within the enterprise, the longer will be the

period of unemployment for those laid off and the less chance they will have to secure new employment in occupations matching their productive capacities.

"The success of the employment service ultimately depends on employers placing their orders with it. If it is little used by employers, it cannot succeed in redeploying workers in occupations and industries which can make the optimum use of their capacities."<sup>1/</sup>

### Training Programmes to Meet Adjustment Problems

The Canada Manpower Division has responsibility for the administration of several important programmes which provide adjustment measures to workers faced with potential displacement from their jobs as a result of technological change. The most basic measures are those training programmes sponsored under the Technical and Vocational Training Assistance Act, with training allowances supplemented under the new Training Allowances Act 1966. Under this legislation, agreements were signed in 1961 with the provinces to provide extensive federal support for training programmes, training allowances, and apprenticeship programmes.

There are three important programmes, under the Technical and Vocational Training Assistance Act, which can be used to help solve manpower

---

<sup>1/</sup> Paper by W. R. Dymond, Assistant Deputy Minister, for the International Conference on Methods of Adjustment of Workers to Technical Change at the Plant Level in Amsterdam -- November 15 to 18, 1966.



adjustment problems, when training, retraining or upgrading of basic education are required. These programmes are:

(a) Programme 3 -- Trade and Other Occupational Training; (b) Programme 4 -- Training in Co-operation with Industry; (c) Programme 5 -- Training of the Unemployed.

Programme 3 has a threefold objective:

(1) to assist employed persons wishing to upgrade their skills; (2) to help those about to enter employment; and (3) to provide training for individuals who desire to retrain for change of occupation. Courses under this programme, designed to retrain and upgrade employed workers, have been set up at the request of companies or organized labour. The availability of new trade and technical schools has increased the demand for part-time courses. These classes can have a significant impact on adjustment for technological change. The federal government pays 50 per cent of provincial operating costs.

Programme 4 is designed primarily to provide for federal participation in provincial contributions to training programmes which are operated by and within industry. It includes the following: training to allow employees to upgrade their skills (including basic training in mathematics, science and languages), retraining for those required to learn new skills or occupations, and supervisory training. Projects under this programme are developed jointly by the province and one or more employers or industries in the particular area. Training may be provided in public or approved private schools, in industrial establishments by means of full-time, part-day, day or evening, day release, sandwich, on-the-job type of programmes, or by correspondence courses. While the federal

government generally contributes 50 per cent of provincial costs, its contribution is 75 per cent of the costs of the following three programmes:

- (1) Basic training in mathematics, science and communication skills for employed workers;
- (2) Industrial apprenticeship;
- (3) Retraining of employees who would otherwise be displaced because of technological or other industrial changes.

Programme 5 is designed to provide training for unemployed persons to improve their employment opportunities by increasing their basic education, trade, technical or occupational competence. Training under this programme may be of the "refresher" type of training for employment in an occupation previously followed by the trainee. The federal government generally pays 50 per cent of provincial costs.

### Training Allowances

The federal government has recently launched a new scale of allowances to cover trainees under the above and other training programmes. A basic allowance of \$35 per week is given to each trainee, with the total amount of such payments to be recovered by the province from the federal government. Furthermore, 90 per cent of any additional allowances, which may be specified in the agreement between the federal government and the provinces, is recovered by the province from the federal government.

Although the federal-provincial Technical and Vocational Training Agreements make provision for a substantial federal sharing of costs incurred, each province establishes training programmes and courses, and provides training to individuals at its own discretion. However, neither this factor, nor the fact that a specific course is not immediately available, need prevent a Manpower Centre area office from recommending training for any registered applicant and requesting the province to provide it. If the requirements of the labour market or of the applicant are such that training in a specific course or occupation is indicated, the applicant can be recommended by the Centre to the training authority for training in that course or occupation.

#### New Initiatives in Adult Training

New initiatives in the area of adult training have developed as a result of the October 1966 federal-provincial conference. The federal government, starting April 1967, will support all school-based post-secondary education through a transfer of fiscal resources to the provinces rather than through cost sharing programmes under federal-provincial agreements. In the adult training field, which is primarily involved in training to meet adjustment problems, the Department of Manpower and Immigration will pay for 100 per cent of the training costs of adult members of the labour force whether they be employed or unemployed. It will refer persons to provincial training programmes through the Canada Manpower Centres and will support in-industry training programmes through the purchase of training services from industry. The Department of Manpower and Immigration will pay training allowances directly to eligible persons undertaking training. With regard to training-in-industry, the

Department will pay the out of pocket costs of training which are of general benefit to the economy and will with appropriate safeguards pay the wages of employees being trained for time spent on training off the job. Distinctions will no longer be made with respect to training of the employed, unemployed and adult training centre programmes in the new arrangements for adult training.

### Manpower Mobility Programme

The Manpower Mobility Programme was established to assist displaced workers to move to areas where employment opportunities are available, as well as to meet the shortage of skilled manpower in particular areas when skilled manpower is available elsewhere. As passed on December 13, 1965, the Manpower Mobility Regulations provide for a variety of assistance, depending on the circumstances of the worker. The two main forms of assistance are loans and grants, supplemented by combinations of these.

To receive a loan under the present regulations, a worker must either be involuntarily unemployed or about to become so. If there are no reasonable prospects for him to find suitable employment in his place of residence, and there are good prospects for him to find suitable and continuing employment in the area to which he proposes to move, he is eligible for a loan to move and resettle into a new community. A worker may also apply for a loan within three months after he has moved, if he meets all the qualifications.

The amount available as a loan for a single worker with no dependents is the full cost of his transportation, including meals and overnight accommodation if necessary, plus up to \$100 as a resettlement allowance.



A worker with dependents may borrow the full cost of transportation for himself and his dependents, once again including meals and overnight accommodation where this is necessary. He may also borrow the cost of moving his household effects to his new locality. The resettlement allowance can be as high as \$1,000, made up of \$200 for himself, the same amount for his wife, and an additional \$100 for each additional dependent up to the \$1,000 maximum.

Interest is charged against the loan at the rate of  $5 \frac{3}{4}$  per cent per annum, calculated from the beginning of the fourth month after the loan is made. The worker can spread the payments over a 20-month period beginning at the end of the fourth month after he receives the loan. The Minister can forgive part or all of any loan made under the plan if there are extenuating circumstances such as death or protracted illness.

Especially disadvantaged workers can apply for grants to aid them in relocating. According to the regulations, a worker who had been unemployed for four out of the last six months, and had little prospect of finding employment, can receive a mobility grant to move to an area where he was likely to find work. This also applies to recent graduates of training or vocational rehabilitation programmes, workers eligible under the Transitional Assistance Benefit Regulations, and key skilled workers needed by an employer receiving a development grant under the Area Development Incentives Act. Subsequent amendments extended the eligibility for grants to include workers in special areas designated by the Minister for the purposes of the programme, and also to include workers and self-employed farmers who lose their employment due to the implementation of programmes under the Agricultural and Rural Development Act (ARDA).



An area is designated for the purposes of the mobility allowances programme, in accordance with the first amendment to the Regulations, when there is a shutdown or layoff of sufficient size. This applies not only to areas where industry is pulling out, but also to areas undergoing large-scale technological change of such a nature that large numbers of workers become redundant.

A single worker eligible for a grant under the present regulations can receive the full amount of transportation costs to the new location, including meals and overnight accommodation where this is necessary. A worker with dependents who is eligible for a grant receives the same as a single man, plus removal costs and up to \$1,000 resettlement allowance, based on the number of dependents in the same manner as the loan scheme.

The Department of Manpower and Immigration is currently reviewing the Manpower Mobility Programme in the light of the experience over the past 11 months to improve the effectiveness of the programme.

#### Manpower Consultative Service

One of the major long-term measures which is available to facilitate the adjustment of workers is a Manpower Assessment Incentive Programme, undertaken by the two parties involved in technological change, in co-operation with the Manpower Consultative Service of the Canada Manpower Division. The basic purpose of the Manpower Consultative Service is to try to create and develop an atmosphere and structure within industry generally in which the manpower problems arising out of specific cases of industrial change may be resolved.

It proceeds on the basis of several principles. First is that the adjustments in the composition of the work force which must be made require careful and objective study and appraisal in advance of the actual requirements, so that positive measures can be taken early enough to prevent, or at least to minimize, distressing impacts on individual workers and to ensure rapid recovery from such impacts when they are unavoidable. Second is that the more acceptable the adjustments are to the workers affected, the more quickly and easily they can be carried out and that the most effective way to ensure acceptance is to develop the necessary measures in collaboration with the workers themselves through their collective bargaining agency where one exists, or by whatever means can be developed where there is no such agency. Third, is that the interests of both workers and employers and of the public are best served when the adjustments are made in such a way as to make maximum use of the capacities of the existing work force and to avoid, as far as possible, outright displacement of workers.

On the basis of these principles, the Manpower Consultative Service endeavours to foster the development of programmes of appraisal and assessment of the manpower situation in companies and industries where significant technological change is anticipated. Whether the changes anticipated are sudden and massive or gradual or cumulative, the test of significance is simply whether they are likely to involve changes in the skills required, in the numbers and distribution of employees, or other adjustments in the work force.

A Manpower Assessment Incentive Programme, to be a real value, needs to be developed through the meticulous collection and analysis of factual material characteristics of

research and with the active participation and support of management and labour. Consequently, if such a programme is to be successful, it is essential that all those concerned should be involved in the programme as participants. In a company having a collective bargaining relationship, this approach implies that the manpower aspect of planning should be shared with the union which represents the employees in their relationship with the company. This does not imply that the company will consult the union in matters relating to decisions concerning technological change. But it does imply that the company should consult the union on matters relating to the effect of such changes on employees.

In order to stimulate such programme studies and to enable them to be effective in scale and scope, the federal government assumes half the total costs involved in carrying out these studies. The union and the company agree between themselves on the allocation of the other half. The arrangements, in every case, are formalized as a contract between the Minister of Manpower and Immigration on the one hand and the union and company on the other.

While problems arising out of change vary from case to case, most studies cover the following general areas, under the guidance of a joint labour-management consultative committee:

- (a) The anticipated manpower requirements of the operation as related to plans for technological, organizational, or operational change.
- (b) A detailed inventory of the capacities of the existing work force.

- (c) The study of ways and means by which the existing work force may be adapted to the new situation. This might possibly include, for example, development of training programmes within the operation, programmes of specific assistance to external training, reorientation of seniority rules.
- (d) Measures to be taken to facilitate rapid and satisfactory re-employment of displaced employees when there is a need to reduce the work force or when it is impossible to absorb completely people whose job skills are no longer required.
- (e) Measures to be taken to facilitate geographical mobility where required.
- (f) Measures to cushion the impact of change in general.

Experience has shown that much of the gathering of data and information can most readily be carried out by company employees whose normal duties give them special competence. On the other hand, the need for objectivity usually demands the services of people trained in research techniques and conditioned to objective appraisal of research data. As a consequence, the work devolves on a mixed group of people from within and from outside the organization. To give effective direction to such a group usually requires the services of a thoroughly qualified research director (or co-ordinator) by whom the research findings can be collated, co-ordinated, and developed into constructive proposals for the consideration of the joint committee. In this activity, the assistance of an officer of the Manpower Consultative Service is available.

The values of a Manpower Assessment Incentive Programme lie in the creation of an atmosphere in which manpower problems can be treated by the parties with a reasonable degree of objectivity. The pressures and deadlines of the bargaining table are absent and the parties find themselves in a situation in which they can explore ideas and consider alternatives without the necessity of taking firm positions and treating problems as issues. The mutual use of research personnel and methods substantially assists the achievement and maintenance of dispassionate and objective examination of both facts and ideas.

In the undertaking of Manpower Assessment Incentive Programmes, the approach needs to be broad and flexible so that the actual needs of a particular case can be assessed and agreed upon by management and labour thus enabling the adoption of appropriate measures to meet the specific situation. Each case has its own peculiarities and variable factors such as seniority provisions, ages of the employees affected, educational attainment, location of the plant or industry in relation to centres of available employment, the need for re-training to upgrade employees to meet the requirements of new employment opportunities within or outside the particular industry, or the need for mobility assistance. But whatever the inherent peculiarities and variations, the fundamental approach has been one of objective examination of the manpower effects of industrial change, using research technique, and the development and evolution through discussion of the findings of the examination of practical measures to deal with the problems of any particular case.



The following are a few selected examples, supplied by the Department of Manpower and Immigration, of Manpower Assessment Incentive Agreements developed under the auspices of the Manpower Consultative Service. The listing indicates the names of the parties to the Agreement, other than the Minister of Manpower and Immigration, the date of the Agreement, together with a brief description of the programme.

- Canadian Broadcasting Corporation
- The National Association of Broadcast Employees and Technicians, February 18, 1965.

This Agreement, the first developed under the Service, provides for the establishment of a joint committee under an independent and impartial chairman to direct the necessary research and investigations and to prepare and recommend a programme of manpower adjustment to meet the technological changes which the Corporation plans to introduce in the future. The Committee has the power to employ investigators and research workers who will make the necessary assessments of changing work situations, employee potential and the training and upgrading necessary to adjust present staff to the changing job requirements.

- The Joint Consultative Committee of the British Columbia Towing Industry, February 24, 1965.

The Committee undertook a programme of research and assessment covering all aspects of the manpower adjustment problems arising out of technological developments in the towing industry covering some 339 vessels. For the purpose of carrying out the programme, the Committee established a research

sub-committee which, under its directions, gathered all relevant information relating to the manpower adjustment problems, assessed and analyzed the implications of existing and future technological changes in the industry and the consequences thereof.

The sub-committee submitted to the Committee a report which was the result of a thorough examination of those characteristics of the industry pertinent to manning. While the report reflected unanimous agreement of the members of the sub-committee as to the facts and statistics presented and as to principles, the members were not asked to reach agreement as to the recommendations contained therein. The recommendations were those of the chairman. Nevertheless, there was substantial agreement between the research members concerning most of the recommendations presented.

-- Price (Nfld. ) Pulp and Paper Limited

-- Joint Union Committee of Price (Nfld. ) Pulp and Paper Limited, May 13, 1965.

This study was inaugurated while the mill was still under the control of the Anglo-Newfoundland Development Company. Shortly afterwards, control was acquired by Price Brothers Limited. This is an old established paper mill in which a modernization programme was in prospect with a likelihood of fairly severe reductions in staff requirements. Initial studies got under way after the signing of the agreement and were aimed at an appraisal of the existing manpower, particularly of those employees who were likely to be displaced. However, the Company ran into a management crisis, and it was agreed the project would be stopped for a period of

approximately six months in order to give the management an opportunity to get its house in order. Studies have again resumed and are expected to terminate in November, 1966. This is a particularly interesting case because of the remote location of the mill and the complete absence of alternative employment in the local area so that extensive retraining and mobility assistance will probably be required.

-- The Joint Consultative Committee of the Graphic Arts Industry of Metropolitan Toronto, June 18, 1965.

This case had its origin after a Manpower Consultative Service officer had explored the situation respecting the probable implementation of technological change among commercial printers in Metropolitan Toronto and discovered that radical changes in the printing industry were expected to occur over the next few years. As a result of these contacts, discussions were initiated with the Council of Printing Industry and with the Toronto Typographical Union, the Bookbinders Union and the Pressmen's Union which led to the formation of a Joint Consultative Committee and the appointment of a Research Director covering the entire commercial printing industry (58 firms) in the Toronto area. There was no immediate and critical situation, and the interest of both unions and employers was in attempting to forecast the trends of change and to set up training activity aimed at the continuous adaptation of the work force to changing conditions. The Report has been submitted by the Research Director and among other considerations, recommends that a properly organized school for the industry is desirable and indeed essential to meet the needs of the times. The graphic arts school would be at the "Post-School" level aiming at

equipping apprentices, journeymen and retraining qualified journeymen. Also, that a revised apprenticeship system be closely tied in to the activities of the school. Continuing research is provided for under this agreement as it is important that research should continue to enable the strategy for change to be modified to meet future requirements.

- L'Association patronale des manufacturiers de la chaussure du Quebec
- La Federation nationale des travailleurs de l'industrie du vetement, C. S. N.
- L'Union des travailleurs du cuir de Montreal (F. T. Q. )
- The Minister of Labour of Quebec
- The Minister of Industry and Commerce of Quebec, October 7, 1965.

The shoe industry in the Province of Quebec has been in a state of decline for a number of reasons. There are approximately 140 separate companies, employing a total of about 14,000 people. About 30 per cent of the employees are members of one of the two unions involved. The industry had been operating with a Parity Committee set up under the Quebec Collective Agreement Act, but this was highly unsatisfactory to the unions involved and the Parity Committee was dissolved. The Quebec Government, through its Department of Industry and Commerce, had been attempting for some time to persuade the industry to enter into serious studies of productivity, with the idea of ultimately developing some degree of rationalization with the introduction of new techniques in order to ensure the survival and growth of



the industry. The regional consultant of the Manpower Consultative Service was brought into the situation by the Quebec Department of Industry and Commerce, and a series of discussions led to a proposal for two parallel and linked studies of the industry -- one to be carried out by the Department of Industry and Commerce on the economics and productivity of the industry -- the other to be carried out under the auspices of the Manpower Consultative Service to deal with the manpower consequences of any changes that arose out of the economic studies. This was accepted by both employers and unions and the studies have begun. This programme covers the entire shoe industry in the Province and is postulated on the probability that employment in the industry will drop sharply as the industry becomes rationalized and that extensive adjustment programmes are required to enable the surplus labour to be successfully re-adapted into other employment areas.

#### Labour Market Information

Nothing is more crucial to the satisfactory implementation of manpower adjustment programmes than good information on the current labour market situation and its short-term prospects. What is needed is specific and up-to-date information on job vacancies by occupation, industry, area, wage rates, skill and educational requirements. The more specific such information is, the easier will be the task of placement officers in matching unplaced applicants with unfilled vacancies, thus assisting workers vulnerable to displacement, unemployed workers and employers. Such information is also vital for appropriate initiatives for counselling and guidance activities, for planning training programmes, for assisting the mobility



of workers and, more generally, for labour market analysis which is essential for the formulation of effective manpower policies.

It is the function of the Manpower Information and Analysis Branch of the Department of Manpower and Immigration to provide an analysis of the current labour market situation and its short-term prospects. The need to strengthen the analyses of local and regional labour market developments is of particular importance. To strengthen the programme of analyzing the local and regional labour market situation, the Branch is currently recruiting a staff of professionally qualified labour market analysts who will be stationed in the regional and area offices of the Canada Manpower Division of the Department across the country. Briefly their function will be to provide information on the labour market situation and short-term prospects as a part of a national reporting system and to answer requests for information on current and anticipated labour market developments which may be initiated at the regional or local area level from within the Department, by provincial or local governments, employers, employees, educational or other organizations and the general public. It is also expected that the labour market analysts will be responsible for preparing reports for publication dealing with local and regional employment developments.

While the headquarters staff of the Branch is currently producing information and reports on labour force trends and employment conditions in labour markets, it is recognized that there is still a big gap in present published material in that there is no systematic and comprehensive nation-wide analysis of current labour market developments by region, industry, local areas, etc., in a form that

could be properly understood by the general public. It is planned therefore to strengthen considerably the national publication programme, perhaps by developing a regular report on significant labour market developments.

Analyses of labour market information, whether for public use or for developing and administering specific manpower programmes, can only be as good as the statistics on which they are based. While there is a wide range of statistical information available through the Department, the Dominion Bureau of Statistics and a number of other government departments, there remain many serious gaps. The main gap is information on unsatisfied labour requirements, i. e., on job vacancies, by occupation, industry and area. For most purposes it has been possible to study trends and changes in labour supply; however, comparable information has not been available on labour demand.

It is expected that the introduction of a regular nation-wide survey on job vacancies will be considered following a review of the results of a recently conducted pilot survey of job vacancies covering employers in seven Ontario communities. This type of information should be especially useful for counselling and placement activities of the Department, for selection and referral of workers for provincial training programmes, for vocational guidance purposes and for job seekers, whether employed or seeking better employment, who lack the information about alternative job opportunities.

## The Canadian Classification and Dictionary of Occupations

A project of considerable importance to manpower adjustment measures, which is being undertaken by the Research Branch of the Department of Manpower and Immigration in co-operation with the Dominion Bureau of Statistics, is the development of a uniquely Canadian occupational dictionary. This is known as the Canadian Classification and Dictionary of Occupations. The completion of this dictionary in 1968-69 should greatly assist the Canada Manpower Division in making its manpower adjustment measures substantially more effective. The mobility of the labour force, for example, will be facilitated as the dictionary will make it easier to define accurately a worker's duties and skills, so that labour supply and demand can be matched more quickly and more efficiently. The dictionary will also be important in the day-to-day counselling and placement activities of the Manpower Division.

SOME EUROPEAN EXPERIENCES  
IN  
LABOUR-MANAGEMENT COMMUNICATIONS

Efforts to create labour-management communications systems at the enterprise level as a necessary part of the relationship between management and labour organizations have been undertaken in practically all European countries and go back over several decades.

Generally speaking, these efforts have arisen from the recognition that even where there were highly developed institutional relationships between organized management and organized labour there was still a need to institute formal communications systems for information and consultation purposes. These would allow plant management and plant labour to deal with questions specifically concerning the work force of individual enterprises and would assure the best possible production performance as well as employee satisfaction on the job. Many of these experiments in putting labour-management relations at the plant level on a new and more positive basis were begun in the period of reconstructing war-shattered economies; but it is no coincidence that there is now a heightened interest in the workings of the systems established after the war, as technological and structural change confront management and labour with a new challenge to much of their traditional thinking.

The three countries whose labour-management communications systems are described below -- the Netherlands, Germany and Sweden -- have been chosen partly because they illustrate varying approaches to the same problem, but partly also because they have years of practical experience behind them and are now in the process of further development.



The institutional arrangements for the consultation and communications process within enterprises differ in the various countries under review, but each country recognizes that this process requires formal institutions or arrangements, whether established by agreement or by legislation.

All three countries with which this paper has dealt have enjoyed a remarkably low incidence of industrial conflict throughout the whole post-war period. Obviously this fact must be seen in the wider context of their social, political and economic climate and cannot be ascribed solely to some particular institutional or legislative framework. The continuing search, which is common to them, for the best possible means of achieving increased productivity and meeting the social needs and individual aspirations of the work force has undoubtedly made a significant contribution.

The experiences gained in these countries may be briefly summarized as follows:

- Institutional arrangements for consultation and communications between labour and management within the enterprise have to have clearly established and jointly agreed objectives;
- Consultation and communications between plant labour and plant management require intermediary elective bodies which are part of the regular administrative and policy-making process and which are flexible enough in form to be adapted to the specific character of each enterprise;
- While a clear distinction is generally made between the functions of these intermediary bodies and the traditional and/or legal functions of the trade unions in relation

to management and their membership, it is also recognized that the unions must be actively engaged in the promotion and operations of these bodies if suspicion and conflicts of loyalty are to be avoided;

- The respective rights, duties and procedures, as well as the areas and types of information and consultation for which the intermediary bodies are to be competent have had to be set out in considerable detail and machinery established for the solution of possible disputes arising from their operations; and
- Whether created by law or by agreement, labour-management communications systems within the enterprise require continuing educational efforts directed at those engaged in the communication process on both sides. This involves costs in terms of both time and money for which responsibilities have to be assessed.

### The Netherlands

In the years after World War I, staff representation bodies were first introduced in a number of Dutch enterprises to formalize channels of communications between management and the work force. These bodies varied greatly as to structure and name, as well as in effectiveness and character. In passing the much more recent "Joint Consultative Committees Act" of 1950, the Dutch Parliament sought not only to assure the widest possible introduction of these representation bodies in industry, but also to provide a uniform legal basis for their functioning.

The date of this legislation is of some significance, as the same year also saw the enactment of related legislation at the "supra-enterprise" level, leading to the establishment of the Socio-Economic Council and the so-called Industry and Commodity Boards, both with certain regulatory and administrative powers. Indeed these Acts give the impression of an attempt to organize Dutch economic life on the lines of employer-employee co-operation and "self-government" in an imposing edifice reaching from the plant to the national level. This edifice was never completed, as the Industry and Commodity Boards were established only in agriculture, fishing, some consumer good lines and crafts, but not in the major manufacturing industries. There is, however, a direct relationship between the Socio-Economic Council -- established under the "Industrial Organization Act" as a tripartite body, consisting of an equal number of representatives of the central employers' and trade union organizations and independent experts appointed by the Crown -- and the Joint Consultative Committees. The Council, among its many and varied tasks, also acts as a promotional and supervisory body for the Joint Consultative Committees.

According to the general description given in the Joint Consultative Committees Act, it is the task of these Committees to contribute to the best possible functioning of the enterprise. The organic character of the Joint Committees as part of the enterprise structure is assured by making the head of the enterprise or his representative the Chairman and an ex-officio member. The Committees are envisaged as bodies of consultation but have no powers of decision. The Act summarizes the powers of the Committees as: dealing with the wishes, complaints and comments brought to their notice by the employees; consultation with regard to fixing of holidays, duty rosters, shifts and breaks, in so far as this is not done at a higher level of branch or industry;

supervising the observance of conditions of employment applicable to the enterprise; supervising the observance of the legal regulations for the protection of employees, installations for safety, health, hygiene, etc; participating in the administration of the social institutions of the enterprise in so far as this is not provided by the law in other ways; and advising with regard to measures which may contribute to technical and economic improvements within the enterprise.

To enable the Joint Consultative Committees to fulfil these functions the Act obliges the employers to assist the Committees fully, and in particular to provide all the information which the Committees need to exercise the powers granted by law, and to provide the Joint Consultative Committees with a periodical insight into the economic development of the enterprise. Besides the employer (chairman), the Committees may have a minimum of three and a maximum of 25 employee members. All employees who have served at least one year with the firm and have reached the age of 21 are entitled to vote for committee members. Employees who have been at least three years with the firm and have attained the age of 23 are eligible for election. The list of candidates must be drawn up in such a way that the ultimate composition of the committee will reflect the actual composition of the staff (e. g., manual and clerical workers) as much as possible. The Act makes it possible to exclude from voting and standing for election those officials of the firm who, though legally employees, exercise certain managerial functions. The right to nominate candidates is vested in the unions of the employees recognized by the Industrial Branch Committees.

#### The Industrial Branch Committee

Under the Socio-Economic Council, Industrial Branch Committees exercise a supervisory function



over the Joint Consultative Committees in each industry. These Industrial Committees are composed of equal numbers of representatives of employers' and employees' organizations within the respective branches of industry. For those branches of industry for which there are no special Industrial Branch Committees, the Socio-Economic Council set up a General Industrial Committee in 1954.

The primary functions of the Industrial Committees are to approve the rules of procedure of the Joint Consultative Committees in each enterprise and of any amendments to these rules which are found necessary; to make proposals to the Socio-Economic Council with regard to granting powers not specified in the Act to the Joint Consultative Committees; to indicate the employees' organizations entitled to submit lists of candidates; to arbitrate in disputes which arise concerning the powers of the Joint Consultative Committees or from the interpretation of their rules of procedure; and generally to promote the proper implementation of the Act in their branch of industry. If decisions of the Industrial Committees are at variance with law or public interest, they can be suspended in part or in whole or annulled by the Minister of Social Affairs.

#### The Joint Consultative Committees

Although the Act makes the setting up of the Joint Consultative Committees in enterprises of more than 10 employees obligatory, their voluntary character has so far been maintained by the absence of sanctions attached to this provision of the legislation. The Socio-Economic Council holds an annual inquiry among the Joint Consultative and Industrial Committees with regard to the application of the Act and also reports on the actual developments in the field.



Joint Consultative Committees in the Netherlands have been established over a fairly wide area. Some 80 per cent of all employees work in enterprises with committees. They are found in almost all enterprises with more than 500 employees and in about 75 per cent of the enterprises with between 100 to 500 employees. They are least developed in the far more numerous smaller establishments of between 10-100 workers. Altogether, Joint Consultative Committees have been established in about 40 per cent of the enterprises to which the legislation applies.

On the basis of the practical experiences gained since the introduction of the Joint Consultative Committee Act in 1950 and under the spur of the technological and structural changes now taking place in Dutch industry, a reform of the Committee system is now being sought with the aim of strengthening their consultation and information functions. The Socio-Economic Council has been engaged for some time in a major research programme concerning the possible effects of technological and structural changes, including their influence on the structure of management and on the work force. In addition, the Report and recommendations of a special commission of legal and economic experts, known as the "Verdam Commission", are now before the Council. This Report considers reform of Dutch Company law. Among the recommendations of the Verdam Commission of interest in this context is the suggested appointment of a special tribunal which would control the way an enterprise fulfils its legal duty to provide relevant information not only to the shareholders but also to the work force and the general public. The Commission also recommended the enlargement of the function of the Joint Consultative Committees to include, under certain conditions, participation "in the formation of opinion in matters of vital interest to the work force", such as the dissolution of a company, mergers, transfers of capital, changes of production or production methods. Such labour

participation would, however, be limited to the effects which managerial decisions might have on the work force as a whole. On the other hand, the Commission, by majority vote, also recommended that the work force should have the right to delegate a number of members to the controlling body of a company, though such members would neither be employees of the firm nor representatives of a trade union directly involved. Obviously, the right of work force representation on such a body, whose controlling function over executive management would generally be strengthened, is the most controversial aspect of the Verdam Report.

On the union side, the Verdam Report has been criticized for not strengthening the position of the unions vis-à-vis the Joint Consultative Committees, such as giving the Committees the right to call in outside experts (from union as well as other sources), and for the absence of any provision which would oblige management to inform and consult with labour before, rather than after, decisions affecting manpower have been made.

#### German Federal Republic

West Germany has developed a rather complex system of labour-management communications at the enterprise level. The rights and duties of both management and labour in this respect are defined in considerable detail by two major pieces of federal legislation: the "Co-Determination Act" of 1950 and the "Works Constitution Act" of 1952. The history of this legislation goes back, however, to the period of allied occupation following the Second World War and -- interrupted by the period of the Hitler regime -- even to the years of the Weimar Republic.

The German communications system of labour-management relations at the enterprise level consists of three interrelated parts: labour representation within managerial bodies, the relationship

between executive management and elected representatives of the work force, and joint labour-management bodies.

The "Co-Determination Act" of 1950, because it established labour representation both in the executive and controlling bodies of management, has attracted the greatest international attention and is also, within Germany itself, one of the most controversial pieces of labour legislation. At present, however, it applies only to the mining and steel industries, and thus it covers only about 9 per cent of the labour force. Even if it were extended as desired by German Trade Union Federation, it would not cover more than 25 per cent. On the other hand, the "Works Constitution Act", which makes the elections of employee representatives mandatory in all enterprises of at least five employees (in agriculture 10 employees), covers the vast majority of all German enterprises.

At the base of the German labour-management communications system is the General Works Meeting which elects the representatives of the work force by secret ballot of all employees over 18 years of age. The number of representatives varies according to the number of regular employees, ranging from one representative in the smallest establishments to 35 representatives in firms with more than 9,000 employees. Manual and salaried workers vote by separate ballots, and in general the work force representation must, as faithfully as possible, reflect the composition of the force itself. The representatives thus elected form the "Work Force Committee" and the law strongly underlines its collective character. Law and practice have, however, made the position of the Committee Chairman highly influential, and in larger enterprises his is frequently a full-time function. There is no managerial representation on the Work Force Committees.

In joint stock companies and similarly constituted enterprises, as defined by company law, the work force has the further right of electing, by general and secret ballot, one third of the membership of the controlling body of the enterprise with at least half of the labour membership coming from among the employees of the firm. The Act also provides for joint labour-management bodies, the so-called "Economic Committees" whose functions are primarily advisory, deliberative and informative.

### Powers of the Work Force Committee

The "Work Force Representation Act" assigns to the Work Force Committees certain well-defined powers which can be divided into two categories: a) rights of co-determination, and b) rights of consultation or co-operation.

The distinguishing mark between these two rights is that, in the first case, the employer in specifically defined instances, can only act with the consent of the Work Force Committee. In practice this means that he can only act either after having reached agreement with the Committee or, in case of disagreement, after a specially constituted Conciliation Board has made its report. Such a report is, however, binding on management only in so far as the Committees have the right to appeal to a Labour Court if management deviates in important aspects from the recommendations of the Board. The "right of consultation or co-operation", on the other hand, makes it the duty of the employer to inform and obtain the advice of the Committee without being prevented from taking action in the event that no agreement is reached. In such instances, too, the Work Force Committee has recourse to the conciliation procedure and, if unsuccessful, may appeal to a Labour Court.



The "right of co-determination" applies primarily to certain areas of social and personnel policies, such as work and rest periods, time and place of wage payments, vacation planning, training and retraining, administration of welfare arrangements, maintenance of order, etc. It also applies to wage structures and introduction of new wage methods as well as to rules governing piece and performance rates, though only where these matters have not been dealt with in a collective agreement. Since collective agreements on wages and general working conditions are reached regionally in West Germany, it is one of the important functions of the Work Force Committee to negotiate supplementary agreements to the collective agreements to adjust the so-called "Enterprise Agreement" to local circumstances. These supplementary agreements may not, however, contain any conditions less favourable than those foreseen in the collective agreement.

In questions of personnel policy, the Committee must be heard in cases of hirings and firings, transfers from one wage category to another or from one work place to another. On these matters, however, the Committee can only refuse its consent under circumstances defined by law. If there is no agreement, the conciliation and Labour Court procedure applies, but the measures already implemented cannot be delayed. In other matters of personnel policy the right of consultation extends to a right to be informed concerning re-organizations and of the appointment or transfer of managerial personnel. There is also a right to be heard before any individual dismissals take place and to be consulted in cases of large-scale hirings or dismissals.

In economic matters the right of consultation and, to a certain extent, that of co-determination involve "measures which would entail essential disadvantages for the work force or major parts thereof", as, for example, the closing of plants,



transfers or curtailments of production, mergers, changes in the purpose of the enterprise, or where plant installations are to be used for other types of production, though not if these changes are forced by changes in market conditions. These rights also extend to the introduction of basically new production or work methods, though not if "the new methods obviously correspond to or serve technological progress". (This last provision is now the object of union demands for a change in the Act.) In all these matters, if there is no agreement, the Committee has recourse to conciliation proceedings and, if necessary, to the Labour Court.

As previously indicated, the Work Force Committees are not joint bodies, but the Act requires regular meetings between management and the Committees. A good deal of the work of the Committees is, nevertheless, carried out in more informal contacts between the chairman, and/or a smaller number of committee members, and various management officers. In fact, research has established that communications are largely oral and direct and that relatively little is left to formal and written exchanges. These direct communications rest, however, on the powers vested in the Work Force Representatives by virtue of their office.

#### The Function of the "Economic Committees"

In an enterprise with more than 100 employees a joint labour-management body, known as the "Economic Committee", can be established. This is thought of as an expert committee and is therefore restricted to from four to eight members, half of whom are appointed by management and the other half by the Work Force Committee. At least one member must always be a member of the Work Force Committee, to ensure the necessary liaison.

The jurisdiction of the Economic Committees is laid down in the Act as covering: production and working methods, which includes production engineering as well as the utilization of manpower; production programming, such as the selection of products to be manufactured; introduction of new production methods and the utilization and expansion of production capacity; production and sales situations and problems; bottlenecks in procurement of materials; completion of long-term delivery obligations; market assessments, etc. This jurisdiction also covers the economic situation of the enterprise, such as its financial condition, the number of orders on hand, the size of stocks, the amount of credits, outstanding accounts and expenses, profit and loss developments and the reasons for them, market influences, economic and production risks, fiscal charges, etc.

Finally, the Act by speaking of "other matters vitally affecting the interests of the employees" establishes a blanket clause which gives the Economic Committee jurisdiction in matters that affect the employees' welfare generally, such as may occur, for example, when large capital investments are made in other enterprises.

An official commentary of the German Federal Department of Labour describes the Economic Committees "not as supervisory bodies but rather an institution for the co-ordination of varying interests". Their task is to advise the management. They can make suggestions and proposals and raise objections. In addition they must inform management about the views of the employees on measures which have been introduced.

Management, on the other hand, has to keep the Economic Committees continually informed about all matters within their jurisdiction, submitting relevant and explicit documentation. This includes

reports, estimates, tenders, etc. The Committee members may ask supplementary questions. If a question for which the Committee is competent is not answered or is answered unsatisfactorily, or if the documents required by law are not forthcoming, the Work Force Committee must endeavour to reach an understanding with the management. If this fails, an appeal may be lodged with a conciliation board whose decision is binding. Should such a board decide against the employer, he can be required by a Labour Court under the threat of a fine to provide the requested information. If he refuses he is liable to prosecution. Such a prosecution may, however, take place only on the application of the Work Force Committee.

Apart from providing information on the above matters the employer also undertakes to explain the annual financial statement to the Economic Committee in the presence of the Work Force Committee. The significance and the connections of the individual items on the balance sheet are to be dealt with and the members of the Economic Committee and of the Work Force Committee may ask supplementary questions.

Every three months the employer is also required to inform all employees of the current position and development of the enterprise in the presence of the Economic and the Work Force Committees. The law requires that the Economic and Work Force Committees have the opportunity to comment before the report is given. It may be given during a meeting of the whole work force or by means of a notice board or by publication in a works journal. In this report the employees are to be given a survey in broad outline of the economic situation of the enterprise, the problems of production, and details as to future prospects of the firm.

## The Works Meeting and the Committees

Members of the Economic Committee as well as of the Work Force Committee hold honorary positions and may neither be prejudiced nor favoured on account of their activities. Members of both Committees are obliged to maintain secrecy if management has requested confidential treatment of certain matters. In questions concerning the competitiveness of the enterprise, the obligation to secrecy is to be maintained even without a specific request by management. There is no obligation to maintain secrecy in the communications between the Committees.

It is noteworthy that the General Works Meeting is not superior to the Work Force Committee or the Economic Committee. The Work Force Committee is not obliged to follow the instructions of the Works Meeting and cannot be forced to resign because of a vote of no confidence. Every worker has, however, a right to discuss relevant matters and to ask questions at the Meeting, and the Work Force Committee usually examines the resolutions of the General Meeting carefully, as it otherwise would be in danger of losing the votes of the electors at the next elections of the Work Force Committee or expose itself to the danger of an application to the Labour Court for a dissolution of the Committee.

## Conciliation Boards and Labour Courts

It is clear from the description above that the whole German communications system is designed to bring about a maximum of information and consultation, downwards and upwards, on a broad spectrum of interests common to both management and labour. While the emphasis of this system lies in encouraging a consensus between management and labour, the legislation accepts the possibility, and even probability, of disagreement and establishes complementary machinery for the solution of disputes. In this respect,



the Works Constitution Act proceeds from the premise that disagreements between the employer and the employees as represented by the Work Force Committee should, as a matter of principle, be settled within the enterprise itself. The Conciliation Boards to which reference has been made above are, therefore, not outside agencies but are constituted by mutual agreement when needed and consist of an impartial chairman and members of whom half are appointed by the employer and half by the Work Force Committee -- usually two to four persons. It is permissible, however, to appoint as employee and employer's members persons from outside the enterprise, including representatives of employers' associations and trade unions. The Work Force Committee and the employer usually attempt to reach agreement on the choice of the impartial chairman. If no agreement is reached he is appointed by the presiding judge of the appropriate Labour Court. Decisions are arrived at by simple majority. The expenses of the Conciliation Board are borne by the employer. Labour Courts and other outside agencies may be called upon only if there is no prospect of achieving an agreement within the establishment.

Labour Courts consist of professional as well as honorary judges, the latter appointed for specific periods upon the recommendation of the employers' and employees' organizations. While they have a certain conciliatory function, their judicial competence lies in questions of interpretation of agreements and of points of law.

#### Relationship between Work Force Committees and Trade Unions

There is no direct structural or institutional relationship between the Work Force Committees and the Trade Unions. In fact, under German law, the legislation assigns functions to the Committees which are clearly distinguished from the functions of the



Trade Unions. This distinction is reflected, for example, in the fact that the Work Force Committees must observe neutrality in respect of any strike conducted by a trade union. The individual members of the Committees are entitled, however, to participate in the strike in their capacity as employees.

Nevertheless, the Works Constitution Act gives the trade unions certain rights in relation to the Work Force Committees, including matters of electing and dissolving the Committees. They can also be invited to the Works Meetings and may participate in the deliberations of the Committees and have a voice in the appointment of the labour representatives on the controlling bodies of companies.

There is no doubt that there is a close working relationship between the unions and the Committees, which is also reflected in the extraordinarily high degree of unionization of the Committee members. This is very much higher than the corresponding unionization of the labour force as a whole. The trade unions also make a considerable contribution to the education of the members of the Work Force and Economic Committees.

#### Acceptance of the Works Constitution Act

The fact that, at the beginning of 1965, there were about 23,000 enterprises with nearly 140,000 representatives of wage and salary earners operating under the Works Constitution Act is an indication that the representation system established under the Act has been widely accepted by both labour and management. The "Deutsches Industrieinstitut", an employers' agency, writes:

"The employers expressly recognize the work and the achievements of labour without reservation. Stemming from the recognition that nothing can be achieved without the other party, a new orientation has

developed on the part of the employers towards their employees and their problems. The employers, therefore, consent to co-operation and co-determination with the employees as laid down in the Works Constitution Act. They also fully appreciate the desire of the employees to be regarded as mature collaborators in the economy...."

There is evidence that employers generally prefer the opportunity provided by the Act to deal in vital issues of the enterprise mainly with their own employees.

At the same time, studies undertaken in considerable depth by the "Institute for Social Research and Self-Help" of Cologne have also established that the communications system, as it functions under the Act, works to the general satisfaction of the employees.

Within this system, however, it is the institution of the Work Force Committee which is best known to the individual employees and with whose workings they are most familiar, since the Committee is closest to their daily problems and desires. On the other hand, the Economic Committees as instruments of direct labour-management co-operation and consultation in economic matters are far less well-known to the broad mass of employees and also far less widespread as institutions, in comparison with the Work Force Committees. It is estimated that only one third of the enterprises which, under the law, could establish these Committees have actually done so; and the existing Economic Committees appear to be primarily in larger enterprises. Nevertheless, the studies undertaken by the Institute for Social Research have revealed that where the Economic Committees exist there is a definite correlation between the degree of satisfaction expressed by the employees with the communications system in existence, especially in matters of

information, compared with enterprises where only the Work Force Committees are in operation.

### Sweden

Unlike the consultation and communications systems established in the Netherlands and the German Federal Republic, the corresponding Swedish system relies on a minimum of legislation and a maximum of direct and voluntary agreement. Fundamental to this approach are two considerations common to organized management and organized labour in Sweden, namely, that the relationship between the parties in the labour market should, within a general legal framework, be the primary concern of the parties themselves, since they are best equipped to deal with the problems arising between them. Furthermore, legislation can usually rely only on a passive and formal adherence to the provisions of the law as an extraneous force, while voluntary agreement may count on the parties' active support and engagement in realizing the ideas and aims which are contained in and lie behind the agreement. It is, however, also realized that this approach has only become possible through the mutual acceptance of the organizations on both sides as representative of their respective interests, as well as by the extraordinarily high degree of organization and internal coherence and discipline in both camps.

All this has come about by a long historical process in which the so-called "Basic Agreement" of 1938, between the Swedish Federation of Employers and the Swedish Trade Union Federation was the turning point. Prior to the Agreement, which established a code of behaviour binding on both parties in relationship to each other as well as to third parties affected by this relationship, there had been decades of considerable strife and bitterness leading to the threat of legislative intervention. Since the signing of the Basic Agreement, a labour relations

and communications system has gradually evolved, expressing itself in a number of subsequent central agreements intended to search out and widen the areas of common interest and to permit a joint approach to the problems involved. A joint body, the Labour Market Council, became the ultimate tribunal for conciliation and arbitration in labour-management disputes; the Council proclaimed its intention to avoid legislative interference and to minimize the need to seek redress in the courts.

Under the Swedish system the Central Agreements are recommendations to the affiliates of the central organizations for acceptance as collective agreements under the Collective Agreement Act. This also applies to the Works Council Agreement which established the Works Councils as labour-management bodies for consultation and communications at the enterprise level. This latter Agreement was first concluded in 1946, but has been amended several times on the basis of practical experience.

At the beginning of the 1960's, the organization involved began, independently from each other, to study the Works Council operations to assess their actual functioning in the widest possible context. The conclusion was reached that it was no longer sufficient to amend the Agreement piecemeal, and consequently a new Works Council Agreement was concluded in May 1966, after several months of negotiations between the three main organizations (i.e., the Swedish Employers' Federation, the Federation of Trade Unions and the Central Organization of Salaried Employees).

#### The Swedish Works Council Agreement of 1966

Works Councils are established in enterprises which normally employ more than 50 people. In enterprises with less than 50 but more than nine



workers, the local trade-union organization may decide to arrange for the appointment of two representatives (ombud) whose functions vis-à-vis management are similar to those of the labour members of a Works Council. Where there are less than nine workers in the firm, one such representative may be appointed.

The initiative for the creation of a Works Council may come either from the management or the local union side. Management members of the Council are appointed by management; the labour members are elected by the work force within the enterprise under rules established by the local trade union. Periods of office may vary from a minimum of two to a maximum of four years. There are special rules concerning the representation of clerical employees, and the numerical distribution of the labour representation should, in general, reflect the composition of the work force. The number of employee representatives may vary from a maximum of five for units with less than 100 employees to a maximum of 11 for those with more than 200 employees. All employees with more than one year of employment with the firm are eligible for membership on the Council. In addition, the Councils may invite experts to participate in their deliberations where this is warranted by the issues at hand. Such experts may come from the ranks of the employees themselves or from outside the firm.

The Councils are to meet at least every quarter-year, but may be called into session more often if this is desired by either party. Moreover, in larger firms there may be a permanent working committee of the Council, as well as sub-committees dealing with special areas of the Council's work.

The Chairman of the union local (factory club) is required to be a member of the Council. This, as well as the provision that a Works Council may be established on the initiative of the local trade-union organization and that the election rules are within the



competence of the union, corresponds to a concept embodied in the new Agreement which defines the Works Councils as "organs for information and consultation between management and the work force through their trade-union organization within the enterprise". In this way the new Agreement seeks to clarify the role and position of the local union vis-à-vis the Works Councils. Both parties have realized that unless the local union is directly engaged in the Works Councils at the plant level, and unless the local management recognizes the union not only as a negotiating party but as an instrument of co-operation in the plant, then the best intentions of the organizations of both parties at the national and industry levels will not suffice to bring the objectives of the Agreement to fruition.

The Works Councils are to have as their objective the furthering of "increased productivity and employee satisfaction on the job". More specifically the Councils are to maintain continuous co-operation between management and the work force; to give the work force insight into the economic and technical situation of the enterprise and its profitability; to work for security in employment, safety, and the well-being of the employees; to promote training within the enterprise; and in general to further good working conditions and a good work atmosphere.

While the Swedish Works Councils under the new Agreement remain primarily consultative organs, management may delegate to the Council rights of decision in certain limited areas, such as "social questions" within a given budget. There is also a clear effort to build the Councils into the regular administrative machinery of the enterprise and to make them an organic part of the decision-making process. The Agreement, therefore, carefully defines information and consultation as advance

information and advance consultation. For this purpose a new section has been inserted in the Agreement:

"It is essential in utilizing the experience and insights of the employees, that the questions about which the Councils are to be informed and which are the subject of consultation, must be questions which are essential to the enterprise and its personnel. It follows from the nature of such consultation that it precedes the decisions of management and comes before possible changes have taken place. By management is meant not only the executive management but the Board of Directors and shareholders. In the process of consultation, the Councils should seek to arrive at a consensus.

"The results of the Councils' deliberations are to be reported regularly to persons in management who deal with the issue at hand by a representative appointed for this purpose by the employer. Once management has arrived at a decision which is important to the employees, it is to be transmitted to the Councils, especially if the topic has been treated beforehand by the Council."

Exempted from the obligation of information and consultation are matters which could be damaging to the enterprise. Even in such cases, however, the employer should, in deciding whether or not to make the information available, take the interest of the employees into consideration. For added security there is a secrecy clause in the Agreement according to which no member of a Council may reveal or make use of any technical or business information to which he has become a party in his capacity as a Council

member, when he is aware that it concerns a trade or business secret, or which the employer designates as being of a confidential nature. This obligation to secrecy continues even after an employee has left the services of the company or ceases to be a member of a Works Council.

In matters of production, i.e., technology, organization, planning and development, the Councils should be provided with the necessary information on a continuing basis of probable as well as effected changes. The employee members have the right of suggestion.

In economic questions, the employer shall provide information regarding the business situation, market changes, cost factors of production and marketing prospects. Such information should be future-oriented and given in such a way that the Council can itself form a good idea of the company's financial standing and future.

In the case of joint stock companies and "economic associations" (e.g., co-operatives) the company is obliged to make available to the Works Council the same information as given to the controlling organs and shareholders (or membership meeting, in the case of co-operatives). Employee representatives also have the right of suggestion in this area.

In matters of personnel policy, the 1966 Agreement gives the employees an increased influence on personnel administration, by recognizing the legitimate interest of the employees in having an insight into the general personnel policy of the enterprise and in the handling of personnel questions which concern the particular group of employees to which they belong. This interest is to be satisfied primarily by permanent contacts between management and union representatives. In regard to general guidelines on

personnel policies, however, information should be given and consultation should take place in the Works Councils on matters such as principles and methods of recruitment, selection and promotion; planning of recruitment and training; development of induction programmes; and principles underlying the transfer or retraining of older and handicapped workers, as well as the transfer of personnel in connection with structural changes.

In the case of shutdowns or major curtailments in a firm's operations, consultation is to take place in the Councils concerning their effects on employment conditions. Whenever an enterprise notifies the public authorities of such measures the Councils are to be informed and kept informed about further developments.

In other matters of job security, the new Agreement, like the old one, contains provisions concerning dismissals, lay-offs, etc. These cases are, under certain conditions, subject to notification to the union concerned and are open in the final instance to mediation by the Labour Market Council as the central joint body formed by representatives of the national organizations. For the time being the Labour Market Council will remain the supervising organ at the national level in matters of Works Council operations.

#### The Development Council

During the negotiations leading to the new Works Council Agreement both sides came to the conclusion that a new central joint body was desirable to promote coherence and continuity in the activities of the Works Councils. It was also found useful to redefine, for the guidance of the Councils, the over-all objectives of labour-management co-operation and consultation.



These discussions led to the conclusion of a separate agreement complementing the Works Council Agreement and establishing a new central body to be known as the "Development Council for Co-operation Questions". The Development Council is to consist of ten members of which five are to be appointed by the Employers' Federation and the other five by the two central trade union organizations who are parties to the Agreement. The Council's purpose is to follow up and improve upon the work of the various joint bodies at the industrial and enterprise levels by means of research, training of the persons concerned with consultation and communications, and the preparation and distribution of study material to be used within the enterprises. In future it will also relieve the Labour Market Council of the promotional and guidance task concerning Works Councils. The cost of operations will be shared by the organizations which are signatories to the Agreement.

Apart from the creation of this new central institution, the Agreement opens two new avenues of development in labour-management communications. Since the present institutional system has grown up step by step and is distributed over a number of different bodies, the Agreement recognizes a need for better co-ordination between them, in which the Development Council may become a focal point. Furthermore, the Agreement implicitly raises the question of whether or not the Works Councils, even in the shape given them by the 1966 Agreement, may be the last word in labour-management communications in the plant. The Agreement stresses the point that institutional arrangements within the enterprise will be the more successful the better they are made to fit into the administrative structure of each enterprise. Size of operations, the number and composition of the work force, type of production, and industrial branch are some of the factors to be considered. The Agreement therefore provides the parties at the local level with the possibility of



developing institutions either complementary to the Works Councils or even of replacing them altogether with other institutional forms, provided that agreement has been reached between the competent management and union organizations at the industrial branch level. It would then be the task of the Development Council to do the necessary research and to assist management and unions to find the best possible institutional form adapted to the needs of the individual firm.

Having this in mind, the parties then redefined the aims which should be commonly applicable regardless of the institutional forms already in existence or as yet to be developed. These are: increased productivity and heightened employee satisfaction on the job.

As a guiding principle, increased productivity is defined in the Agreement not only as an economic but also a social objective:

"Modern society depends for its existence on effective and well equipped production machinery in which human and material resources are co-ordinated so as to achieve the best production results, while also taking into account those who participate in the production process. To create such effective production machinery is in the common interest of all.

"High productivity in the enterprises of a dynamic society demands that all those involved are prepared to accept and participate in the changes of the enterprise structure, and to acquire, if necessary, new knowledge and skills; but there must also be regard for the employees' need for information, consultation, training, and security in employment."

The employees' satisfaction on the job demands, in turn, that the individual is actually assigned work which he considers interesting and meaningful:

"As an objective this means not only a satisfactory environment, but also the meeting of other demands which concern the work itself. An enterprise is not only here to produce goods and services but must also strive to have this done in such a way that the knowledge and skill of the employees are brought into play to the fullest extent possible. In this regard, management must pay particular attention to the job content of each individual's task and to the choice of persons for each task. As far as possible, each worker should have the opportunity of contributing to the development of his own job situation."

### Training in Consultation and Communications

The experience of about 20 years with the Swedish Works Council system had shown the parties that even the best thought-out and best intentioned agreements reached between organizations were not sufficient to assure the realization of objectives concerning such intangibles as the personalities, attitudes, and communication abilities involved at the plant level. Positive interest on the part of management and of the labour force and its representatives was an obvious prerequisite. But even that was not enough. The knowledge of communication techniques as well as of the complex technical, production, personnel, and economic questions which often may reach beyond the immediate enterprise cannot be acquired by empirical means alone. Continuing education on the management and the labour side is, therefore, an

equally important prerequisite if the objectives of the Agreement are to be realized at the plant level.

As a central body, the new Development Council will be involved in this educational work through the preparation of study material and the arranging of study groups, conferences, discussion groups, and residential courses. In addition the organizations will continue their own internal training activities for their membership.

Nevertheless, the parties agreed that the training of the Works Council membership and other persons active in the communications process will involve costs in both time and money within the enterprise. They therefore agreed to recommend to their affiliated organizations and enterprises a cost-sharing programme according to which the costs of study material, instructors, and study facilities would be borne by the employers as part of their over-all production costs, while in regard to other costs, such as compensation for lost working time and travelling, special negotiations would take place between the employers' and union organizations within the industrial branches.

PART III

PROGRAMME  
NATIONAL CONFERENCE ON  
LABOUR-MANAGEMENT RELATIONS

MARCH 21-22, 1967

CHATEAU LAURIER, OTTAWA

TUESDAY, MARCH 21

MORNING

CONFERENCE OPENING

Chairman: Louis Couillard  
Vice-Chairman, Economic Council of Canada

OPENING ADDRESS

"Labour-Management Relations  
and the Canadian Economy"

John J. Deutsch  
Chairman  
Economic Council of Canada

DISCUSSANTS

William Dodge  
Executive Vice-President  
Canadian Labour Congress

and

T. N. Beaupré  
Chairman and President  
Domtar Limited

GENERAL DISCUSSION



TUESDAY, MARCH 21 (cont'd)

AFTERNOON

DISCUSSION OF DECLARATION  
ON MANPOWER ADJUSTMENTS TO  
TECHNOLOGICAL AND OTHER CHANGE

"Government Policies  
and Programmes Relating to  
Manpower Adjustment Problems"

Tom Kent  
Deputy Minister  
Department of Manpower and Immigration

DISCUSSANTS ON DECLARATION

Larry Sefton  
Director, District 6  
United Steelworkers of America

and

Gérard Filion  
President  
Marine Industries Limited

GENERAL DISCUSSION ON DECLARATION

MEETING OF WORKING GROUPS

EVENING

CONFERENCE DINNER

Guest and Speaker:

The Hon. Jean Marchand, P.C., M.P.  
Minister  
Department of Manpower and Immigration

WEDNESDAY, MARCH 22

MORNING

WAYS AND MEANS TO IMPROVE  
COMMUNICATIONS WITHIN AND  
BETWEEN LABOUR AND MANAGEMENT

STUDY

Jean-Réal Cardin  
Director  
Department of Industrial Relations  
Université Laval

PAPER BY ECONOMIC COUNCIL OF CANADA

DISCUSSANTS

Louis Laberge  
President  
Quebec Federation of Labour  
Regional Vice-President for Quebec  
Canadian Labour Congress

and

W. T. Wilson  
Vice-President  
Industrial Relations  
Canadian National Railway Company

GENERAL DISCUSSION

MEETING OF WORKING GROUPS

WEDNESDAY, MARCH 22 (cont'd)

AFTERNOON

FINAL PLENARY SESSION

Chairman  
Louis Couillard

REPORTS FROM WORKING GROUPS

CONFERENCE CONCLUSIONS

John J. Deutsch

WORKING GROUP CHAIRMEN AND RAPPORTEURS

CHAIRMAN

W. Ladyman

W. F. Woodfine

G. C. MacLean

F. Cleyn

G. Henson

G. N. Perry

Rev. G. Dion

J.-R. Cardin

L. M. Tremblay

RAPPORTEUR

H. W. Arthurs

G. V. Doxey

Rev. S. Crysdale

G. Saunders

B. M. Downie

J. T. Montague

R. J. Lachapelle

I. Timonin

J. Saint-Laurent

## PARTICIPANTS

### NATIONAL CONFERENCE ON LABOUR- MANAGEMENT RELATIONS

ABBOTT, J. K. ,

Ontario Economic Council,  
Toronto, Ontario.

ALLARD, P. ,

Direction générale de la main-d'oeuvre,  
Ministère du Travail,  
Québec, P. Q.

ANDERSON, W. M. ,

Managing Director,  
Winspear, Higgins, Stevenson and Doane,  
Vancouver, B. C.

ANDRAS, A. ,

Director of Government Employees Department,  
Canadian Labour Congress,  
Ottawa, Ontario.

ANDREJICKA, A. S. ,

Director of Manpower Resources,  
Anthes Imperial Limited,  
St. Catharines, Ontario.

ANTON, Dr. F. R. ,

Chairman, Department of Economics,  
University of Calgary,  
Calgary, Alberta.

ARCHER, D. ,

President,  
Ontario Federation of Labour,  
Toronto, Ontario.



ARTHURS, H. W. ,  
Professor,  
Osgoode Hall Law School,  
Toronto, Ontario.

BALLOCH, A. E. ,  
President,  
Bowaters Canadian Corporation,  
Montreal, Quebec.

BAIRSTOW, Mrs. F. ,  
Industrial Relations Centre,  
McGill University,  
Montreal, Quebec.

BANDEEN, Dr. R. A. ,  
Director of Corporate Planning,  
Canadian National Railway Co. ,  
Montreal, Quebec.

BARNES, L. W. C. S. ,  
Executive Director,  
Professional Institute of the Public Service  
of Canada,  
Ottawa, Ontario.

BARNES, W. H. ,  
Director of Labour Relations,  
The Hydro-Electric Power Commission  
of Ontario,  
Toronto, Ontario.

BATES, A. J. ,  
Personnel and Labour Relations,  
Canadian National Railway Co. ,  
Montreal, Quebec.

BEAUDRY, G. R. ,  
Directeur,  
Direction de la main-d'oeuvre pour la région  
de Québec, ministère de la Main-d'oeuvre  
et de l'Immigration,  
Montréal, Québec.

BEAUPRÉ, T. N. ,  
Chairman and President,  
Domtar Ltd. ,  
Montreal, Quebec.

BELFORD, J. A. ,  
Vice-President, Personnel and Industrial  
Relations,  
Massey-Ferguson Ltd. ,  
Toronto, Ontario.

BENSON, E. ,  
Vice-President and General Manager,  
Pacific Press Ltd. ,  
Vancouver, B. C.

BILLINGS, J. M. ,  
President,  
Forest Industrial Relations Ltd. ,  
Vancouver, B. C.

BIRD, R. A. ,  
President,  
Bird Construction Company Ltd. ,  
Winnipeg, Manitoba.

BISHOP, G. D. ,  
Director of Research Branch,  
Department of Labour,  
Victoria, B. C.

BLAIR, D. R. ,  
President,  
Pulp and Paper Industrial Relations Bureau,  
Vancouver, B. C.

- BOLTON, G. E. ,  
Director of Personnel,  
Air Canada,  
Montreal, Quebec.
- BOUCHARD, F. -X. ,  
Président,  
Produits avicoles,  
Roberval, Québec.
- BOURGEOIS, V. E. ,  
Secretary-Treasurer,  
New Brunswick Federation of Labour,  
Moncton, N. B.
- BOUVIER, Rév. Père É., s.j.,  
Directeur, Département d'économique,  
Faculté des Arts,  
Université de Sherbrooke,  
Sherbrooke, Québec.
- BROATCH, J. C. ,  
Manager, Personnel and Industrial Relations,  
The Canadian Fishing Company Ltd. ,  
Vancouver, B. C.
- BRUNELLE, J. ,  
Directeur général,  
Centre des dirigeants d'entreprises,  
Montréal, Québec.
- BRYCE, R. B. ,  
Deputy Minister,  
Department of Finance,  
Ottawa, Ontario.
- BUCHANAN, H. ,  
Ontario Supervisor,  
Retail, Wholesale and Department  
Store Union,  
Toronto, Ontario.

BUCHANAN, J. M. ,  
Vice-President in Canada,  
United Papermakers and Paperworkers,  
Ottawa, Ontario.

BURT, G. ,  
Director, Canadian Region,  
International Union, United Automobile  
Aerospace and Agricultural Implement  
Workers of America,  
Windsor, Ontario.

BUTLER, M. E. ,  
Privy Council Office,  
Ottawa, Ontario.

CAMPBELL, R. P. ,  
Deputy Minister,  
Department of Labour,  
Fredericton, N. B.

CARDIN, J. -R. ,  
Directeur des Relations industrielles,  
Université Laval,  
Québec, P. Q.

CARIGNAN, L. ,  
Dominion Oilcloth and Linoleum Company Ltd. ,  
Montreal, Quebec.

CARROTHERS, Dr. A. W. R. ,  
Dean, Faculty of Law,  
The University of Western Ontario,  
London, Ontario.

CARSON, J. J. ,  
Chairman,  
Public Service Commission,  
Ottawa, Ontario.

CHARTIER, R. ,

Directeur du personnel,  
Commission hydro-électrique du Québec,  
Montréal, Québec.

CHUSID, M. ,

Executive Assistant to the Deputy Minister,  
Department of Labour,  
Winnipeg, Manitoba.

CHUTTER, S. D. C. ,

General Manager,  
Canadian Construction Association,  
Ottawa, Ontario.

CLAWSON, H. J. ,

Vice-President, Personnel,  
The Steel Company of Canada Ltd. ,  
Hamilton, Ontario.

CLEYN, F. -E. ,

Président,  
Cleyn et Tinker Ltée,  
Huntingdon, Québec.

CÔTÉ, Me P. -F. ,

Directeur, Service de reclassement de la  
main-d'oeuvre,  
Ministère du Travail,  
Québec, P. Q.

COUILLARD, L. E. ,

Vice-Chairman,  
Economic Council of Canada,  
Ottawa, Ontario.

COULTER, J. A. ,

Executive Secretary,  
Winnipeg and District Labour Council,  
Winnipeg, Manitoba.



CRISPO, Dr. J. H. G. ,  
Director, Industrial Relations Centre,  
University of Toronto,  
Toronto, Ontario.

CRYSDALE, Rev. S. ,  
Chairman,  
National Committee on Church and  
Industrial Society,  
Toronto, Ontario.

CUMMING, A. A. ,  
Chairman of the Board,  
Union Carbide Canada Ltd. ,  
Toronto, Ontario.

CURTIS, F. W. ,  
Member, Labour-Management Committee,  
and District Manager,  
Warren Maritimes Ltd. ,  
Charlottetown, P. E. I.

DALTON, P. D. ,  
President,  
Dalton Engineering and Construction  
Company Ltd. ,  
Toronto, Ontario.

DELAGRAVE, P. ,  
Vice-président, Relations industrielles,  
Domtar Limited,  
Montréal, Québec.

DÉOM, A. ,  
Vice-président du Personnel,  
Compagnie de papier Rolland Ltée,  
Montréal, Québec.

DESCHAMPS, J. ,  
Directeur général,  
La Société générale de financement  
du Québec,  
Montréal, Québec.

DESPRÉS, J. -P. ,  
Sous-ministre adjoint,  
Ministère du Travail,  
Ottawa, Ontario.

DEUTSCH, J. J. ,  
Chairman,  
Economic Council of Canada,  
Ottawa, Ontario.

DeWITT, K. P. ,  
Assistant Director, Labour-Management  
Co-operation Branch,  
Department of Labour,  
Ottawa, Ontario.

DION, Abbé G. ,  
Professeur, Département des  
relations industrielles,  
Université Laval,  
Québec, P. Q.

DODGE, W. ,  
Executive Vice-President,  
Canadian Labour Congress,  
Ottawa, Ontario.

DOWLING, F. W. ,  
National Director,  
United Packinghouse, Food and  
Allied Workers,  
Toronto, Ontario.

DOWNIE, B. M. ,

Professor, School of Business and  
Faculty Associate in the Centre,  
Queen's University,  
Kingston, Ontario.

DOXEY, Prof. G. V. ,

Chairman, Department of Economics,  
York University,  
Toronto, Ontario.

DRURY, C. H. ,

President,  
Dosco Steel Ltd. ,  
Montreal, Quebec.

DUBÉ, Y. ,

Directeur du Département d'économique,  
Faculté des Sciences sociales,  
Université Laval,  
Québec, P. Q.

DUCLOS, G. G. ,

Assistant Deputy Minister, and  
Director General--Manpower,  
Department of Manpower and Immigration,  
Ottawa, Ontario.

DUGRÉ, A. ,

Directeur du Service des relations du travail,  
La Fédération des commissions scolaires,  
Québec, P. Q.

DUFOUR, G. ,

Fédération des Travailleurs du Québec,  
Montréal, Québec.

DYMOND, W. R. ,

Assistant Deputy Minister,  
Department of Manpower and Immigration,  
Ottawa, Ontario.

EBERLEE, T. M. ,  
Deputy Minister,  
Department of Labour,  
Toronto, Ontario.

EDDY, R. C. ,  
Manager, Building Supplies Section,  
George Eddy Company Ltd. ,  
Bathurst, N. B.

EDWARDS, C. A. ,  
President,  
Public Service Alliance of Canada,  
Ottawa, Ontario.

ESTEY, J. B. ,  
Assistant to the Chief Executive Officer,  
National Sea Products Ltd. ,  
Halifax, N. S.

EYRE, J. L. ,  
President,  
Saguenay Shipping Ltd. ,  
Montreal, Quebec.

FELDMAN, L. D. ,  
T. J. Plunkett Associates Ltd. ,  
Toronto, Ontario.

FILION, G. ,  
President,  
Marine Industries Ltd. ,  
Montreal, Quebec.

FLESHER, H. W. ,  
Second Vice-President,  
Labourers' International Union of  
North America,  
Vancouver, B. C.

FORSYTHE, W. R. ,  
President,  
Irving Oil Refining Ltd. ,  
Saint John, N. B.

FOWLER, R. M. ,  
President,  
Canadian Pulp and Paper Association,  
Montreal, Quebec.

FRANCIS, J. P. ,  
Director, Planning and Evaluation Branch,  
Department of Manpower and Immigration,  
Ottawa, Ontario.

FRENETTE, G. ,  
Fédération des Travailleurs du Québec,  
Montréal, Québec.

FRYER, J. L. ,  
Director of Research Department,  
Canadian Labour Congress,  
Ottawa, Ontario.

GALLIGAN, J. B. ,  
Director of Industrial Relations,  
Iron Ore Company of Canada,  
Sept-Îles, Quebec.

GATHERCOLE, G. E. ,  
Chairman,  
The Hydro-Electric Power Commission  
of Ontario,  
Toronto, Ontario.

GIBBONS, A. R. ,  
Vice-President, National Legislative  
Representative,  
Brotherhood of Locomotive Firemen  
and Enginemen,  
Ottawa, Ontario.



GILBEY, W. G. ,

President,

Saskatchewan Federation of Labour,

Regina, Saskatchewan.

GODDEN, L. C. ,

Assistant Vice-President,

The Bell Telephone Company of Canada,

Montreal, Quebec.

GOSSAGE, S. M. ,

Vice-President,

Canadian Pacific Railway Company,

Montreal, Quebec.

GOUGH, T. ,

Executive Vice-President,

Public Service Alliance of Canada,

Ottawa, Ontario.

GRAY, W. N. ,

Vice-Chairman, Alberta Economic Development  
and Productivity Council, and

Business Manager, Labourers' International

Union of North America,

Edmonton, Alberta.

GREEN, S. G. ,

Canadian Vice-President,

International Brotherhood of Pulp, Sulphite

and Paper Mill Workers,

Vancouver, B. C.

GUAY, M. ,

Directeur général adjoint, Direction de la  
main-d'oeuvre,

Ministère de la Main-d'oeuvre et de

l'Immigration,

Ottawa, Ontario.

HALL, W. N. ,  
Como, Quebec.

HALLSWORTH, K. ,  
Vice-President, Industrial Relations,  
Ford Motor Company of Canada Ltd. ,  
Oakville, Ontario.

HAMELIN, Abbé J. -G. ,  
Directeur, Département d'action sociale,  
Conférence catholique canadienne,  
Ottawa, Ontario.

HAMILTON, A. D. ,  
President,  
British Columbia Forest Products Ltd. ,  
Vancouver, B. C.

HAYNES, R. C. ,  
Secretary-Treasurer,  
British Columbia Federation of Labour,  
Vancouver, B. C.

HAYTHORNE, G. V. ,  
Deputy Minister,  
Department of Labour,  
Ottawa, Ontario.

HENSON, G. ,  
Director, Institute of Public Affairs,  
Dalhousie University,  
Halifax, N. S.

HILL, R. G. ,  
Canadian Regional Director,  
International Union of Operating Engineers,  
Toronto, Ontario.

HISTED, A. ,  
Canadian Representative,  
International Typographical Union,  
Hamilton, Ontario.

HOLLANDS, F. T. ,  
Assistant Manager, Employee Relations  
Department,  
Imperial Oil Ltd. ,  
Toronto, Ontario.

HOOTON, F. ,  
Trans-Canada Corporation Fund,  
Montreal, Quebec.

HUNEAULT, J. A. ,  
Vice-President,  
Brotherhood of Maintenance of Way Employees,  
Ottawa, Ontario.

JODOIN, C. ,  
Président,  
Congrès du Travail du Canada,  
Ottawa, Ontario.

JOHNSTON, A. F. ,  
Manager, Corporate Planning and Services,  
Canadian General Electric Company Ltd. ,  
Toronto, Ontario.

JOYCE, R. D. ,  
Manager, General Employee Relations,  
Canada Packers Ltd. ,  
Toronto, Ontario.

KAPLANSKY, K. ,  
Director,  
International Labour Office,  
Ottawa, Ontario.

KEITH, J. M. ,  
President,  
Imperial Tobacco Company of Canada Ltd. ,  
Montreal, Quebec.

KELLY, W. P. ,  
Director, Conciliation and Arbitration Branch,  
Department of Labour,  
Ottawa, Ontario.

KENT, T. ,  
Deputy Minister,  
Department of Manpower and Immigration,  
Ottawa, Ontario.

KING, E. F. ,  
President,  
Dominion Textile Company Ltd. ,  
Montreal, Quebec.

KIRK, D. L. ,  
Executive Secretary,  
Canadian Federation of Agriculture,  
Ottawa, Ontario.

KRISTJANSON, B. H. ,  
Deputy Minister,  
Manitoba Development Authority,  
Winnipeg, Manitoba.

LABERGE, L. ,  
Président,  
Fédération des Travailleurs du Québec,  
Montréal, Québec.

LACHANCE, A. ,  
Président,  
Compagnie Pharmaco-Chimique,  
Montréal, Québec.

- LADYMAN, W.,  
International Vice-President,  
International Brotherhood of Electrical Workers,  
Toronto, Ontario.
- LANGLOIS, L.-G.,  
Secrétaire général,  
L'Association des mines de métaux du Québec,  
Québec, P. Q.
- LANSKAIL, D. A. S.,  
Assistant Manager and Counsel,  
Forest Industrial Relations Ltd.,  
Vancouver, B. C.
- LaVIOLETTE, G.-D.,  
Conseiller industriel,  
Montréal, Québec.
- LAVOIE, L.,  
Directeur du personnel,  
Canadian Celanese Company,  
Montréal, Québec.
- LESSARD, J.-C.,  
Président,  
Commission hydro-électrique du Québec,  
Montréal, Québec.
- LÉTOURNEAU, J.-P.,  
Directeur général,  
Chambre de Commerce de la province de Québec,  
Montréal, Québec.
- LISSEN, R. R.,  
Director, Personnel and Industrial Relations,  
Polymer Corporation Ltd.,  
Sarnia, Ontario.
- LITTLE, S. A.,  
National President,  
Canadian Union of Public Employees,  
Ottawa, Ontario.



LORRAIN, L.-H. ,  
Premier vice-président et directeur canadien,  
Fraternité internationale des travailleurs de  
l'industrie des pâtes et papiers,  
Montréal, Québec.

LOVE, J. D. ,  
Assistant Secretary (Personnel),  
Treasury Board,  
Ottawa, Ontario.

MAHONEY, W. ,  
National Director for Canada,  
United Steelworkers of America,  
Toronto, Ontario.

MAINWARING, J. ,  
Director, International Labour Affairs Branch,  
Department of Labour,  
Ottawa, Ontario.

MALONE, G. B. ,  
Assistant Deputy Minister,  
Department of Labour,  
St. John's, Newfoundland.

MARCHAND, Hon. J. ,  
Ministre de la Main-d'oeuvre  
et de l'Immigration,  
Ottawa, Ontario.

MARQUEZ, V. O. ,  
President,  
Northern Electric Company Ltd. ,  
Montreal, Quebec.

MILLER, G. L. ,  
Department of Labour,  
Halifax, N. S.

MIREAULT, R. ,

Sous-ministre adjoint,

Ministère du Travail de la province de Québec,  
Québec, P. Q.

MONK, D. R. ,

Director of Public Relations and Services,

Department of Labour,

Ottawa, Ontario.

MONTAGUE, Dr. J. T. ,

Director, Institute of Industrial Relations,

The University of British Columbia,

Vancouver, B. C.

MOORE, J. A. ,

President, Regional Council No. 1,

International Woodworkers of America,

Vancouver, B. C.

MOORE, W. V. ,

Vice-President,

International Business Machines Company Ltd. ,

Don Mills, Ontario.

MORIN, V. ,

Directeur adjoint, Service forestier,

L'Union catholique des cultivateurs,

Québec, P. Q.

MORRELL, D. L. ,

General Manager,

The Canadian Chamber of Commerce,

Montreal, Quebec.

MORRIS, J. ,

Executive Vice-President,

Canadian Labour Congress,

Ottawa, Ontario.

- MUIR, W. W. ,  
Vice-President, Personnel and Industrial  
Relations,  
Hawker Siddeley Canada Ltd. ,  
Toronto, Ontario.
- MUMFORD, I. K. ,  
General Manager,  
Saskatchewan Wheat Pool,  
Regina, Saskatchewan.
- MacDONALD, D. ,  
Secretary-Treasurer,  
Canadian Labour Congress,  
Ottawa, Ontario.
- MacLAREN, D. H. ,  
Staff Sociologist, Public Relations Department,  
Air Canada,  
Montreal, Quebec.
- MacLEAN, G. C. ,  
Vice-Chairman, Labour Legislation  
Review Committee,  
Newman, MacLean and Associates,  
Winnipeg, Manitoba.
- MACPHERSON, W. C. ,  
Vice-President, Personnel,  
The Bell Telephone Company of Canada,  
Montreal, Quebec.
- McCUAIG, Rev. M. ,  
Chairman, Prince Edward Island Joint  
Labour-Management Committee,  
Department of Labour,  
Charlottetown, P. E. I.

- McDEVITT, G. W. ,  
Vice-President,  
Brotherhood of Railroad Trainmen,  
Ottawa, Ontario.
- McGILL, L. S. ,  
Director, Pacific Region -- Manpower,  
Department of Manpower and Immigration,  
Vancouver, B. C.
- McGIVNEY, J. H. ,  
Director, Personnel,  
Chrysler Canada Ltd. ,  
Windsor, Ontario.
- McNALLY, W. J. ,  
Secretary, Employer-Employee Relations  
Committee,  
The Canadian Chamber of Commerce,  
Montreal, Quebec.
- NADEAU, L. M. , P. Eng. ,  
General Manager,  
The Canadian Council of Professional  
Engineers,  
Ottawa, Ontario.
- NICHOLSON, Hon. J. R. ,  
Minister of Labour,  
Ottawa, Ontario.
- NORMANDEAU, P.-D. ,  
La Société générale de financement,  
Montréal, Québec.
- O'BRIEN, Father J. E. ,  
Assistant Professor and Chairman,  
Department of Communication Arts,  
Loyola College,  
Montreal, Quebec.

O'DEA, J. R. ,  
President,  
Newfoundland Brewery Ltd. ,  
St. John's, Newfoundland.

OTTO, R. ,  
Executive Vice-President,  
Canadian Union of Postal Workers,  
Ottawa, Ontario.

PAQUETTE, G.-H. ,  
Gérant, Service des relations industrielles,  
Imperial Tobacco du Canada Ltée,  
Montréal, Québec.

PARENTEAU, R. ,  
Directeur général,  
Conseil d'orientation économique du Québec,  
Québec, P. Q.

PARLEE, J. C. ,  
Executive Vice-President,  
The International Nickel Company of  
Canada Ltd. ,  
Toronto, Ontario.

PATHY, A. C. ,  
Vice-President,  
Federal Commerce and Navigation  
Company Ltd. ,  
Montreal, Quebec.

PERRAULT, C. ,  
Président et gérant général,  
Casavant Frères Ltée,  
St-Hyacinthe, Québec.

PERRY, Dr. G. N. ,  
Deputy Minister,  
Department of Education,  
Victoria, B. C.



- PHILP, R. T. ,  
International Representative,  
Oil, Chemical and Atomic Workers  
International Union,  
North Burnaby, B. C.
- PRINGLE, R. J. C. ,  
Vice-President, Corporate Relations,  
Shell Canada Limited,  
Toronto, Ontario.
- PUGH, K. A. ,  
Deputy Minister,  
Department of Labour,  
Edmonton, Alberta.
- RANCOURT, G. ,  
Secrétaire général,  
Fédération des Travailleurs du Québec,  
Montréal, Québec.
- RAND, Hon. I. C. ,  
Commissioner,  
Royal Commission Inquiry into Labour Disputes,  
Toronto, Ontario.
- RAPSEY, K. H. ,  
Executive Vice-President,  
Allen-Bradley Canada Limited,  
Galt, Ontario.
- REVELL, J. J. ,  
Chairman, Labour Relations Board,  
Department of Labour,  
Charlottetown, P. E. I.
- RICHARDSON, J. E. ,  
President,  
British Columbia Telephone Company,  
Vancouver, B. C.

ROBERTSON, J. M. ,

Director of Manpower Services,  
Canadian Textiles Institute,  
Montreal, Quebec.

ROBINSON, T. H. ,

Manager, Industrial Relations,  
Canadian International Paper Company,  
Montreal, Quebec.

RONDOU, R. ,

Vice-président,  
Tobacco Workers' International Union,  
Montréal, Québec.

ROSSINI, U. ,

International Hod Carriers' Building and  
Common Laborers' Union of America,  
Toronto, Ontario.

RYAN, Father W. ,

Assistant Director, Social Action Department,  
Canadian Catholic Conference,  
Ottawa, Ontario.

RYGUS, M. ,

General Vice-President for Canada,  
International Association of Machinists and  
Aerospace Workers,  
Ottawa, Ontario.

SAINT- LAURENT, Prof. J. ,

Secrétaire, Département des relations  
industrielles, Faculté des Sciences sociales,  
Université Laval,  
Québec, P. Q.

SASSO, S. ,

Canadian Vice-President,  
Bricklayers, Masons and Plasterers'  
International Union of America,  
Windsor, Ontario.

SAUNDERS, G. ,

Research Director,  
Task Force on Labour Relations,  
Ottawa, Ontario.

SCHONNING, Dr. G. ,

Director-General, Research and Development,  
Department of Labour,  
Ottawa, Ontario.

SCOTT, H. A. D. ,

Director, Ontario Region -- Manpower,  
Department of Manpower and Immigration,  
Toronto, Ontario.

SEFTON, L. ,

Director, District 6,  
United Steelworkers of America,  
Toronto, Ontario.

SHAW, L. R. ,

President,  
L. E. Shaw Limited,  
Halifax, N. S.

SHEPHARD, C. D. ,

Chairman of the Board,  
The British American Oil Company Ltd. ,  
Toronto, Ontario.

SHIELDS, W. ,

President,  
Prince Edward Island Federation of Labour,  
Charlottetown, P. E. I.

SHIPLEY, Dr. J. H. ,

Vice-President,  
Canadian Industries Ltd. ,  
Montreal, Quebec.

- SMITH, R. C. ,  
Chairman, Negotiating Committee,  
Associated Non-Operating Railway Unions,  
Montreal, Quebec.
- STAPLETON, A. G. ,  
Director of Personnel,  
General Motors of Canada Ltd. ,  
Oshawa, Ontario.
- STEIN, M. ,  
Vice-President,  
Magil Construction Ltd. ,  
Montreal, Quebec.
- STEVENS, P. ,  
General Manager,  
National Concrete Producers' Association,  
Toronto, Ontario.
- STEWART, A. G. ,  
Refinery Manager,  
Imperial Oil Enterprises Ltd. ,  
Regina, Saskatchewan.
- STEWART, W. C. ,  
Director, Atlantic Region -- Manpower,  
Department of Manpower and Immigration,  
Halifax, N. S.
- STRANG, E. M. ,  
President,  
British Columbia Maritime Employers'  
Association,  
Vancouver, B. C.
- THIVIERGE, W.-A. ,  
Vice-président exécutif,  
L'Alliance de la fonction publique du Canada,  
Ottawa, Ontario.

- TREMBLAY, L. -M. ,  
Directeur, Département des relations  
industrielles,  
Université de Montréal,  
Montréal, Québec.
- VALLE, H. ,  
Vice-Chairman, Executive Committee,  
The Canadian Chamber of Commerce,  
Montreal, Quebec.
- VAN BEURDEN, H. A. ,  
President,  
Philips Electronics Industries Ltd. ,  
Toronto, Ontario.
- VAN HORNE, C. H. ,  
Ontario Economic Council,  
Toronto, Ontario.
- VAUGHAN, R. T. ,  
Vice-President and Secretary,  
Canadian National Railway Company,  
Montreal, Quebec.
- VILLENEUVE, J. ,  
Vice-président, Personnel,  
Marine Industries Ltd. ,  
Montréal, Québec.
- WALTER, J. F. ,  
Assistant Grand Chief Engineer and National  
Legislative Representative,  
Brotherhood of Locomotive Engineers,  
Ottawa, Ontario.
- WARREN, R. M. ,  
Executive Director, Manpower Services  
Division,  
Department of Labour,  
Toronto, Ontario.



- WATSON, G. C. ,  
Canadian Director,  
Textile Workers' Union of America,  
Toronto, Ontario.
- WATT, T. R. ,  
Director, Prairie Region -- Manpower,  
Department of Manpower and Immigration,  
Winnipeg, Manitoba.
- WEBBER, C. ,  
President, Local 141,  
International Brotherhood of Pulp, Sulphite  
and Paper Mills Workers,  
Liverpool, N. S.
- WEBBER, Hon. K. J. ,  
Minister of Labour,  
Fredericton, N. B.
- WEIR, W. R. ,  
Vice-President,  
Dominion Foundries and Steel Ltd. ,  
Hamilton, Ontario.
- WELSH, S. W. ,  
Chairman of the Board,  
Fred Welsh and Sons Ltd. ,  
Vancouver, B. C.
- WESTLEY, Dr. W. A. ,  
Director, Industrial Relations Centre,  
McGill University,  
Montreal, Quebec.
- WETTLAUFER, Prof. J. J. ,  
Dean, School of Business Administration,  
University of Western Ontario,  
London, Ontario.

- WHITELAW, J. C. ,  
Executive Vice-President and  
General Manager,  
The Canadian Manufacturers' Association,  
Toronto, Ontario.
- WIESNER, L. A. ,  
Labor Attaché,  
United States Embassy,  
Ottawa, Ontario.
- WIGHTMAN, W. H. ,  
Manager, Industrial Relations Department,  
The Canadian Manufacturers' Association,  
Toronto, Ontario.
- WILKINSON, G. A. ,  
Vice-President,  
Marwell Construction Ltd. ,  
Vancouver, B. C.
- WILKINSON, Rev. Canon M. P. ,  
General Secretary, Department of Christian  
Social Service,  
The Anglican Church of Canada,  
Toronto, Ontario.
- WILLIAMS, S. E. ,  
Manager, Special Projects and Services,  
International Minerals and Chemical  
Corporation (Canada) Ltd. ,  
Esterhazy, Saskatchewan.
- WILLS, L. F. ,  
President,  
Honeywell Controls Ltd. ,  
Toronto, Ontario.

WILSON, W. T. ,  
Vice-President, Industrial Relations,  
Canadian National Railway Company,  
Montreal, Quebec.

WOODFINE, Prof. W. J. ,  
Department of Social Sciences,  
St. Francis Xavier University,  
Antigonish, N. S.

WOODS, Dr. H. D. ,  
Dean, Faculty of Arts and Science,  
McGill University,  
Montreal, Quebec.

WRIGHT, H. H. ,  
Industrial Policy Adviser,  
Department of Industry,  
Ottawa, Ontario.

HD/6961/.N27/1967 of Canada  
Economic Council of Canada erence on  
National Conference ment  
on Labour-Management dany tawa,  
c.1 tor mai 1967

CHIEF

Date Due

