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Labour and The War

by Andrew Brewin *10 cents*

behind the headlines

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Labour and The War

THIS war has been described as a war of factories as well as a war of armies. In years of intensified and regimented industrial effort, Nazi Germany acquired a long lead in the production of the materials of war. Increased production in Canada must, therefore, be added to increased production in Great Britain and the United States to turn the tide decisively.

We must look then to the men in Canadian factories for victory. What is their attitude? How can we secure their utmost cooperation and their most productive efforts?

As the attitude of the men and women in factories is so vital, it is important that every Canadian, whether industrialist, farmer, the worker himself, the voter, or the member of Parliament, should understand the problems and aspirations of the men in the factories. In doing so he must be careful to rid himself of the prejudices and misconceptions which so easily arise in this connection.

Fascism and Nazism Destroy Labour Rights

If it is true that this is a war of factories, it is also true that it is a worldwide "civil" war in which systems and principles as well as nations are in conflict. In such a war labour cannot be neutral. Labour, as the term is used in this sense and throughout the pamphlet, does not signify some vague abstraction but rather the men and women of the factories who work at the great productive tasks of modern industry.

One prime characteristic of the rise of Fascism has been its repression of labour, as illustrated in the suppression of independent trade unions. In the modern industrial system trade unions are probably the most important means

whereby working men have sought to exercise an influence for the bettering of the conditions under which they work and live. Trade unionism represents democracy in industry. Fascism triumphant has everywhere spelt the end of hard won privileges for labour and the destruction of the means of securing even greater opportunities for labour in the future.

Canadian Labour's Attitude to the War

It is, therefore, not surpising to find that the leaders of labour in Canada and Great Britain have emphatically asserted their determination to do all in their power for victory and have shown a willingness to match words with deeds. President Tom Moore of the Trades and Labour Congress (the largest group of organized labour in Canada) wrote in July, 1940:

"Labour realizes full well that to lose the war is to lose all and for that reason will readily respond to any justifiable call for action."

President Mosher of the Canadian Congress of Labour (the second largest group) at the annual convention in September, 1940, said:

"As Canadian workers and Canadian citizens, we believe that the primary consideration which should be in our minds at this time is the winning of the war."

In a recent memorandum submitted to the Federal Cabinet by the Confédération des Travailleurs Catholiques du Canada (the French Canadian Roman Catholic union) it is explicitly stated that

". . . . the government of the country can count on its entire cooperation to assure the most efficiency possible in the war effort of Canada, and to maintain in the difficult times through which we pass the national unity."

The only exceptions to this attitude are to be found amongst those few who have followed the Communist line of "revolutionary defeatism" prescribed by the devious policies of Moscow.

Machinery to Ensure Cooperation

But it is not sufficient to ensure the most effective cooperation from labour to point out the danger of a Nazi victory. Three things more are necessary. First, we must create, where it does not exist, the machinery through which that cooperation may become effective. Secondly, we must ensure that labour is not distracted by fear of insecurity and a sense of present injustice. And lastly, it is necessary to put before the working men and women of Canada the dynamic of a genuine hope for a better and more just world after the war.

"The plain truth is that only loyal and zealous workers can or will produce effectively and loyalty and zeal come voluntarily from within. They cannot be commanded." (W. H. Davis in *The New Republic.*)

Necessity of Collective Bargaining and Growth of Responsible Trade Unions

To this end nothing can contribute so much as the growth in Canada of responsible unions and the habit of collective bargaining. The problems of wages, factory conditions, and security of employment which vitally concern labour as well as management arise not less in time of war, and their successful solution can come only through collective agreement between labour and management.

This point is well expressed by Mr. Henry L. Stimson, the American Secretary of State for War and a former Republican Secretary of State under Mr. Hoover. Speaking to the American Federation of Labour convention at New Orleans in November of 1940, he said:

"Without industrial peace we cannot defend democracy. Congress has declared, and that declaration accords with our national experience, that only through the democratic process of collective bargaining can the nation achieve a lasting and durable peace. That is true in time of tranquility. It is doubly true in time of emergency. . . . In times of emergency, even more than in ordinary times, the responsible trade union is an indispensable instrument of national well-

being because through it the free cooperation of labour is enlisted and assured in the national task which confronts us. . . . It is a basic article of our democratic faith that free men will produce more and better goods than those who are not free; men who are coerced or recalcitrant."

It was largely through the leadership of trade union men in the Government and the use of trade union machinery outside the Government that Great Britain, in the hour of direst national crisis, was able to organize production on a basis which for the first time has halted Nazi aggression and won the admiration of the world, and upon whose eventual success the future of democracy depends. The new Minister of Labour, to whom as much as to any one man credit is attributed for the greatly increased production, was Mr. Ernest Bevin, a man trained in the trade union movement.

Organized Labour Before the War

Britain, where the trade union movement is more than a century old, has long led this continent in labour legislation. But under the impetus of the New Deal and particularly the National Recovery Act (N.R.A.) and the National Labour Relations Act (Wagner Act), labour had made considerable strides in the United States since 1933. These acts not only recognized as a policy of the United States Government the practice and procedure of collective bargaining but set up machinery designed to make the policy effective. The Committee for Industrial Organization (C.I.O.) sprang up in bitter rivalry with the American Federation of Labour (A.F. of L.) which had for fifty years or more been the dominant labour organization in the United States. The A. F. of L. was based generally on craft unions of skilled workers; it was conservative and did not believe in forming labour into a political party. Under the aggressive auspices of the C.I.O. industrial unions of unskilled workers were organized in many major American industries.

In Canada, however, there had not been the same legislative encouragement, and an advance had not been made

on the same scale. The C.I.O. did spread to Canada, where there had been for some time many unions associated with the A. F. of L., and, in spite of vocal opposition from the Government of Ontario, obtained a considerable foothold in coal mining, steel, clothing, automobile, and other industries.

Trade union movements did develop in Canada. In 1937 the reported union membership was 384,619, an all-time high for Canada and 100,000 more than were reported in the years 1932-1935 when the depression had taken its toll. But this figure, which does not of course include company unions, represents only about 15% out of the possible total of 2,500,000 wage earners who might be organized into unions. The balance of unorganized Canadian workmen, if they did share to some extent in higher standards of living than those which prevailed in Europe, were nevertheless haunted by the spectre of low wages on the one hand and unemployment on the other. Since 1929 widespread unemployment had existed, and labour as a commodity had been cheap. As a result, the bargaining power of labour was generally weak, and unskilled labour was justly described in the Sirois Report as a "depressed class".

Divisions in Canadian Labour

Nor was the 15% of Canadian wage earners which was organized in unions united for action. The rivalry between the international unions in the United States did not at first cause a split in the Canadian Trades and Labour Congress, into which the membership of nearly all international unions was gathered and which represented 200,000 unionists, or more than half the total. In January, 1939, however, the Executive of the Trades and Labour Congress expelled the unions belonging to the C.I.O. They acted, possibly, under instructions from American officials of the A. F. of L. who disliked to see in Canada the A. F. of L. lamb lying peacefully beside the C.I.O. lion. As a result of the split, the Trades and Labour Congress at the outbreak of war retained a membership of approximately 150,000. Its unions,

which have autonomy over their own trade union affairs and come together in the Congress only for the purpose of discussing legislative problems, resemble the A. F. of L. unions in the United States in that they are organized generally on craft lines, represent the "aristocracy" of skilled labour, and enjoy a conservative type of leadership.

But, in addition to this division between the C.I.O. and the A. F. of L. inherited from the parent organizations in the United States, there were further substantial divisions in Canadian labour. These arose out of nationalism, both all-Canadian and French-Canadian. The All-Canadian Congress of Labour was a group of unions based on Canadian nationalism and opposition to international unions. The A.C.C. of L. favoured industrial unionism and its backbone was the Canadian Brotherhood of Railway Employees, one of the largest unions in Canada with about 15,000 members. But even this all-Canadian body had suffered a schism. In 1936 a split had occurred in the All-Canadian Congress of Labour, and the Canadian Federation of Labour had been formed as yet another grouping of Canadian labour unions.

In Quebec, the Roman Catholic Church, fearful of some of the tendencies of international unions, had many years ago organized the "Catholic syndicates" among French-Canadian workers into the Catholic Federation of Workers of Canada. The membership of this Federation is about 50,000. Its philosophy is based on the social doctrines contained in papal encyclicals. The Federation's use of labour's most formidable weapon, the strike, is rare.

Political Impotence of Labour

As might have been expected with only 15% of all workers in trade unions and these divided into a number of non-cooperating groups, Canadian labour exercised a relatively light influence on industry directly through collective bargaining and on legislation indirectly through political influence or power. No political party claiming to represent Canadian labour and based on trade union support had arisen in Canada comparable in influence to the Labour parties of Great Britain, Australia, New Zealand or the Scandinavian countries. The traditional attitude of the A. F. of L. in the United States, which has generally sought to secure concessions by means of lobbying or throwing its support to one or other of the older established parties rather than for the formation of a political "Labour" party, has influenced the thought and attitudes of Canadian trade unionists. In 1932 the C.C.F. was formed as a political party to combine existing political groups which sought to represent the farmers and labour. Its policy was designed to attract the support of both elements, but despite some successes and an influence out of proportion to the number of its elected members, it has not yet succeeded in obtaining recognition as the official political voice of the trade union movement—although one large union, the United Mine Workers of America, is affiliated with it.

This situation was reflected in the backwardness of Canadian legislation—although the constitutional difficulties of a federal system must share the blame, as the Rowell-Sirois Report has well demonstrated. No national system of unemployment insurance existed. The right to collective bargaining in the great industrial provinces of Ontario and Quebec was protected by no legislation similar to the Wagner Act in the United States. Nor was there a uniform or extensive system of minimum wage laws for men. In 1939 the Dominion Parliament purported to penalize discrimination exercised against those who were members of or were active in trade unions. Legal authorities, however, doubted whether this legislation could be applied to Ontario, and direct enforcement of the Act seems non-existent—as much legislation for the protection of workers is apt to be in the absence of well organized trade-unions or an effective labour party. Nor was there, on the eve of war, any prospect of an immediate improvement of the situation, for labour as a commodity was cheap. A time when labour is cheap is not usually a time when advances are made rapidly in labour organization, unless indeed the situation is desperate, and

for most Canadian working men the situation was not actually desperate.

Change of Situation Due to War

That was the strategic situation of organized labour in Canada when war was declared in September, 1939. The situation has changed radically, if not rapidly at first. Canada's industrial war effort was not quick at the start, but during 1940 it gathered momentum. With the need for increased production has developed a shortage of skilled labour and the gradual drying up of the reservoir of "employable unemployed". In the first year of war the number of employables on relief dropped from 140,000 to 80,000. Since the beginning of the second year of war there has been a reported increase of over 75,000 employees, in the first two months alone. By December 1, 1940, employment in Canada had reached its highest peak since statistics began twenty years ago. During 1941 it is expected that Canada will increase her armed forces by adding 117,200 men and increase the number engaged in munitions work from 149,000 to 225,000. Labour as a commodity has become scarce instead of cheap, and labour's bargaining power is thereby immeasurably enhanced. According to Cabinet ministers there is already an acute shortage of skilled labour and by July of 1941 we shall have reached full production with every available man at work.

Dangers Inherent in the New Situation

In this situation there are several difficulties to be guarded against. Labour, sensing its new power and resentful of past injustices, might seek the opportunity to obtain new advantages in increased wages, recognition of unions, and other matters of importance. Employers, on the other hand, might resist these demands. The natural response to such resistance would be the use of labour's traditional weapon, the strike, for a strike is ultimately the only effective weapon that labour can use to secure its rights. Strikes by their very nature delay production. In time of war such loss of production may be serious and, although it is unwise to attempt to deprive labour of the right to use this weapon ultimately, loss of production must be kept to a minimum. Then again employers, recognizing the new power of labour, might hasten to grant demands for wage increases but might add the increased wage costs to prices of the manufactured articles. The effect of such increased prices is to start the spiral of inflation in which wages usually fail to keep pace with mounting prices. Still another danger arises from the fact that with the shortage of labour the offer of higher wages can be used to lure workers away from essential industries.

Extension of the Industrial Disputes Act

The policy of the Government of Canada gradually developed to meet these aspects of the situation before they assumed threatening proportions. The first step came after a delegation of representatives of 17 labour organizations came to Ottawa to assure Mr. King of their desire to prevent strikes and lockouts in wartime. In accordance with their suggestion, on November 7, 1939, an Order-in-Council extended the Industrial Disputes Investigation Act to cover all disputes between employers and employees engaged in war work (and this, of course, means a large section of Canadian industry). In peacetime this Act, under the Canadian constitutional system, extends to only a relatively few industries over which the Parliament of Canada normally has jurisdiction. In peace-time the regulation of industrial disputes in most industries has been left to provincial legislation, but the existence of the emergency of war has enabled the Dominion authorities to extend their jurisdiction.

The Act provides for the formation of a Board of Conciliation to investigate any dispute in which a strike or lockout has occurred or is about to occur. The employers appoint one member, the employees another, and the Chairman is selected by the two other members, if they agree, or not by the Minister of Labour. The Board seeks to conciliate and, if unable to do so, makes a report on what it thinks

should be done to solve the dispute. After application for establishment of the Board and pending its decision, a strike or lockout or other change in the relationship of the parties is prohibited. Unless, however, the parties agree to be bound, the decision of the Board has only persuasive authority. The right to strike is not finally taken away but is postponed. As a general rule the decisions of such Boards are accepted, as the support of public opinion is of importance in an industrial dispute. During the 33 years the Act has been in force (from March 1907 to March 1940) 978 applications for the establishment of Boards were received and 594 Boards established. Strikes or lockouts were prevented in all but 41 cases. It is interesting, however, to note that labour has always opposed and will probably continue to oppose compulsory conciliation or any attempt to make strikes as an ultimate recourse illegal.

Difficulties in the Administration of the Act

With increasing industrial activity there has also been an increase in the number of applications for Boards—over 50 in the 12 months following the Order-in-Council, involving 30,000 workers, many of whom were in vital industries. In some few cases workers have refused to accept the decisions of the Boards appointed and gone on strike. There has been criticism of the delays in setting up Boards, to which the answer given is that the Department of Labour settles as many as half of these disputes by negotiation, thus avoiding the necessity of setting up Boards at all. Another criticism has been that the Government is recognizing the claims of small and unrepresentative groups of workers and thus preventing effective collective bargaining. There is no specific provision of the Act to cover this point.

The use of Boards of Conciliation was also subject to further difficulties. First, the personnel of the Boards, by reason of the method of selection, was always changing, and there was a lack of any guiding principles of operation. The result was a wide diversity in actual findings. In addition the Industrial Disputes Act assumed

that there is always a normal difference of interest between the employee wanting more money and the employer wanting to keep wages down. But when an employer on a war contract is paid on a cost plus profit basis, the Government pays for increased wages and the employer has less interest in keeping his salary list down. Consequently the Department of Munitions and Supply secured the right to have its representative appear before the Boards as a co-employer. Sometimes the Department's man discussed the matter privately with the Board, a practice to which labour took strong objection.

On one other point labour has expressed some anxiety. While willing to make sacrifices, even of its hard won rights to limitation of hours of work and to overtime pay, labour desired assurance that advantage will not be taken of the present emergency to whittle away previous concessions and that these rights will be restored after the war. Members of both the Chamberlain and Churchill Governments in Britain have frequently repeated such a pledge. There was some bitterness on the part of labour in Canada because a specific statement to this effect did not come from the Canadian Minister of Labour until a short time ago.

Declaration of Government Principles

The first effective statement of general labor policy came in the crucial days of June. In an Order-in-Council dated June 20, 1940, the Government explicitly said:

> "It would conduce to the removal of misunderstandings and to the extension of common interests and national purposes were a declaration to be made by the Government at this time of certain principles for the regulation of labour conditions, the acceptance of which by employers and work people would make for the avoidance of industrial strife and the utmost acceleration possible in the production which is so essential in present circumstances."

There follow ten principles. The Minister of Labour recommends that (1) every effort should be made to speed up war industries (2) that fair standards of wages and

working conditions be recognized and that any temporary adjustments in remuneration might well be made in the form of bonus payments (3) that hours of work should not be unduly extended but that increased output should be secured if possible by additional shifts (4) that there should be no relaxation of health and safety safeguards of workers (5) that there should be no interruption on account of strikes or lockouts and that differences should be settled by use of Government conciliation machinery or according to the provisions of the Industrial Disputes Act (6) that employers should be free to organize in trade unions free from any control by employers or their agents (attention being drawn to the amendment of the Criminal Code which makes it an offence for an employer to discriminate against or intimidate an employee because of his membership in a lawful trade union) (7) that employees, through the officers of their trade union or through representatives chosen by them, should be free to negotiate with employers concerning pay, hours, and other working conditions with a view to the conclusion of a working agreement (8) that every collective agreement should provide machinery for the settlement of disputes arising out of the agreement and that both parties should scrupulously observe its terms (9) that workers should not use intimidation or coercion in organizing and (10) that any suspension made of labour conditions established by law, agreement or usage should be brought about by mutual agreement and should be understood as applying only for the period of the emergency.

It will be observed that these principles are not couched in imperative terms, nor is any mode of enforcing them even suggested. The appeal is to the patriotism of both sides.

Stabilizing Wage Rates

That the extension of the Industrial Disputes Act and the recommendations of the June Order-in-Council were not completely effective is admitted in a new Order-in-Council of December 16, 1940, which marks a most important development in the Government's labour policy.

This new step takes the form of instructions to the Conciliation Boards, designed to supply that yardstick needed to prevent inconsistencies in the decisions of the Boards. It expressly rejects as too arbitrary an endeavour to apply the rigid wage-fixing provisions of the Fair Wages Act to all industries engaged in war work. The principles embodied in the June Order-in-Council are re-affirmed as the principles which should guide the Boards in their work.

The Boards are directed to regard the wage rates established in any industry or trade during the boom years of 1926 to 1929, or any higher levels since established, as generally fair and reasonable basic wage rates—unless it can be shown that there were exceptional circumstances in particular industries or localities which made those rates abnormally high or abnormally low. If it is found that the basic rate in 1926-1929 was higher than the prevailing rate, then the Board is required to recommend that the rates be increased by not more than 5% in any calendar year. But it is recognized that the cost of living has risen 6.2% since the outbreak of war. To meet this situation and to prevent the workers' standard of living from being adversely affected provision is made for a "wartime cost-of-living bonus". The cost-of-living statistics are to be examined not oftener than quarterly. If it is found that the cost of living in the particular locality has risen or fallen by more than 5% since August, 1939, or since the last time the bonus has been paid, a flat rate bonus is to be paid. This bonus is not proportional to wages, but is the same to all employees. This is not, nor is it to be regarded as, an absolute indemnity to factory workers against the effects of a rise in the cost of living, but it does ensure that wages and the cost of living shall not get too far out of line.

It would be a mistake to regard the task of employers and employees and of Boards in interpreting this Order-in-Council as simply mathematical. The Order-in-Council itself recognizes this fact in directing against attempts to determine wage rates under the provisions of the Fair Wages Act. It does so on the ground that such attempts would

render superfluous the institutions and practices of collective bargaining approved by the policy of the government and would deprive labour organizations of their legitimate functions. And it will be found that in practice there is plenty of room for investigation. How does one determine what is the "industry" whose basic rate is to be considered? It cannot mean one particular plant. For example, is the "mechanical rubber industry" the same as the "tire manufacturing industry"? Both are lumped together in the present statistics under the heading "rubber industry", but there is considerable diversity in the type of product and conditions in which the different products are manufactured. What is a "locality"? When is it shown that a particular industry or locality is "depressed" or "subnormal"? What significance, if any, is to be given to the word "generally" in the advice that certain standards are to be considered "generally fair and reasonable"? These are all matters with many critical issues to arise in particular negotiations or hearings. It is, however, fair to state that the general effect of the Order-in-Council will be to restrict consideration of such matters and to stabilize wages generally in relation to the cost of living.

In the event that reports of the Boards do not comply with the principles of the Order-in-Council, the Minister of Labour has been given the power to send them back to the Board for revision. The Order-in-Council neither fixes wages definitely nor prohibits strikes absolutely, nor does it compel employers to bargain with trade unions or to sign agreements with them. Men are not prohibited from exercising their right to stop work if they do not like the standard indicated by the Order, but, in effect, they would find the Government and probably public opinion against them if they disregarded the policy of the Government and went out on strike to secure a higher standard. This, at a time when labour has the power which comes from a shortage of labour, is asking for a very real and considerable sacrifice for the common good. Labour is also asked to forego standards in

regard to the hours of work. What has been given to labour in return?

First, labour secures the right to ask that the standard rate, which is the highest paid since 1926, and a bonus tied to the cost of living shall not be withheld. No doubt this means a real advance in wages in certain establishments. Secondly, the principle seems to be laid down that employers (certainly those who rely upon the provisions of the Order-in-Council with regard to wage fixing) must concede to their employees the right to bargain collectively through their trade unions or other representatives in respect to all matters usually covered by agreements. For example, the men are entitled to require employers to enter into agreements in respect to wage rates (within the scope permitted by the Order), hours of work, seniority rights, conditions of employment, overtime pay, settlement of grievances, rest hours and so forth. In other words, as a counter-balance to the fixing of wage rates, a substantial instalment of industrial democracy is required.

In this connection it should be noted that many employers have in the past opposed collective bargaining and the signing of written agreements with their employees and have preferred to form company unions promoted by the management. In the opinion of organized labour this type of organization lacks equality of bargaining position with the strong corporate organizations of industry that exist today. Whether the war will weaken their position in relation to the trade unions remains to be seen. Present trends indicate that this may be the case. Nor need the prospect appal. Time and again trade unions and collective bargaining have passed from the stage of prohibited evils to the stage of tolerance and finally to the stage of respect.

Labour also secured in this Order the most specific pledge yet that its sacrifices are considered as temporary. It is stated that if in the interest of war production any existing agreement about working conditions is suspended, the arrangement for its reinstatement is brought about will contain a provision stipulating that the previous condi-

tion shall be restored "on the termination of the emergency fully and without modification." The Registrar of the Industrial Disputes Act is to record any such suspensions so that it will be a simple matter to restore them when the war is over. These words have since been strengthened in a New Year's message to labour by Mr. McLarty, in which he stated that the "cherished rights" which labour is asked to surrender because of the war "will be without complaint, without question and with generous good-will revived, returned and enlarged" when peace returns.

There is still criticism of the delays in solving disputes through the appointment of Boards and a fear that if there is any substantial increase in the number of matters requiring settlement (and such an increase is not impossible) the machinery would prove quite inadequate. The Minister of Labour has had a further step to improve the system on January 8, 1941, when he proposed to representatives of industry and labour organizations that a panel be set up from which chairmen to head Boards of Conciliation would be chosen, thus assuring a supply of chairmen familiar with the new policy and acceptable to both parties in a dispute. Nothing further has been done, however, to provide machinery similar to that provided by the Wagner Act in the United States to decide who are the parties entitled to represent employees in collective bargaining. In spite of the argument advanced against such a step there are still many who feel that it would mean speed and stability.

Training Workers

With an acute shortage of skilled labour looming there is widespread realization of the mistakes of the past decade when skilled craftsmen and technicians were allowed to rust with their machines and young workmen were not trained. Labour has been aware of this bottleneck in production and has constantly advised expanded training plans. Efforts were made earlier in the war to train workers in the existing technical schools and soldiers for the intricate jobs of mechanized warfare. Some private industries provided

training and apprenticeship schemes. But, as the journal of the Trades and Labour Congress pointed out last July, these efforts were uncoordinated and in many instances initiated without any accurate knowledge of the actual requirements.

An amplified training program has now been prepared to help meet the situation. This program calls for three-month courses in technical and vocational schools and in industrial plants with the trainees drawing pay ranging from $7 to $12 a week (except for single trainees living at home). Because of the fact that it is the young men who will fill up the armed services, special preference is being given in the training plan to the middle and older age groups. In some cases the trainees will pass from the technical schools to the plants where they will learn difficult operations by assisting experienced men. In order to prevent competition between industry and the services, which are also in need of many trained artisans, enlisted men from the army and the air force will be sent to these schools. This plan would obviate the problem faced by industry earlier in the war when workmen dropped their tools to join up. The Dominion-wide training program is being conducted in close cooperation with the Provincial governments who are preparing the technical schools and also plans of the out-of-pocket costs. On the scheme the Dominion alone is to spend in the coming fiscal year $4,365,000. The Department of Labour believes that in this way 50,000 trained men could be turned out in vocational and industrial schools and another 50,000 in plant schools during 1941.

It should be noted that the Government has also taken action to prevent competition in industry for skilled labour. When skilled labour is at a premium it might be expected that there would be high bidding for workmen's services. But if non-war industries could bid highest, useful men might be taken out of the war effort. Even a constant unplanned shifting of labour within the war industries could have a chaotic effect which might greatly delay production. To prevent such a situation the Government, by Order-in-

Council, has placed severe penalties on employers who entice workers from war industries.

Steps Toward Labour Unity

The chief development among trade unions themselves since the outbreak of war has been the drawing together in early September, 1940, of the Canadian C.I.O. and the All-Canadian Congress of Labour into a new central body called the Canadian Congress of Labour with a membership of approximately 100,000. Thus are united for the purposes of more effective action some of the most powerful industrial unions in Canada from both the international and national background. The constituent C.I.O. unions retained their international affiliations. Unity between the two largest and most important bodies of Canadian Labour, the Trades and Labour Congress and the Canadian Congress of Labour, must probably await solution of the differences between the A. F. of L. and the C.I.O. in the United States. Canadian labour leaders are aware of the need for unity, but their strong organic connection with the international unions in the United States means that they must follow their lead.

Representation of Labour in War Administration

One of the complaints of labour has been that in the numerous boards set up to deal with war problems labour has not been adequately represented. It is true that in June, 1940, the National Labour Supply Council was set up, its personnel consisting of five representatives of labour, five of industry and an impartial chairman. The purpose of the Council is to advise the government on any matters concerning labour supply for industry referred to it by the Minister of Labour. The body has no power of initiation and is purely advisory.

The Royal Commission investigating the Bren Gun contract recommended that labour be represented on the Defence Purchasing Board, and when this Board was set up in 1939 Mr. H. B. Chase, a representative of labour, was appointed. But in October, after the outbreak of war, when

this Board was reorganized as the War Supply Board Mr. Chase became an employee and no representative of labour took his place.

The administration of the Department of Labour has been strengthened by the appointment of Dr. Bryce Stewart as Deputy Minister, and Mr. Arthur Macnamara, former Deputy Minister of Public Works in Manitoba, has been added as associate deputy. Mr. Justice McTague of the Court of Appeal of Ontario, whose work on Boards of Conciliation has won the praise of both sides, is acting in an advisory capacity to the Minister.

Enactment of Unemployment Insurance

A great stride forward, in the eyes of labour, has been the enactment of the Unemployment Insurance Act by the Parliament of Canada after constitutional amendment. The full benefits of this legislation will, of course, not be felt for some years, but labour has warmly supported its enactment as a measure of assistance during the difficult years of post-war re-adjustment.

Labour and the Future

Labour in Canada, because of its lack of organization, its disunity, and its non-political bias, probably cannot play the same part in Government as labour is playing in Britain. It will, however, contribute loyally to the winning of the war and will make the necessary sacrifices. The extent and effectiveness of its cooperation will depend not alone upon its own willingness. It will depend also on the determination of the Government in requiring Canadian industry to accept collective bargaining and the readiness of industry to accept this democratic method of handling problems.

The Government, in calling for sacrifices from labour, will have to show, if it is to ensure labour's full cooperation, the same vigour in requiring sacrifices from others. In its December 16 Order-in-Council the Government has indicated its consciousness of this necessity by reciting that in awarding war contracts care has been exercised to restrict

profits and that by the Excess Profits Tax a tax of 75% on the excess of current profits over pre-war profits has been imposed: Some elements of Labour may perhaps think that, as a basic rate of wages has been fixed at what is regarded as generally fair and reasonable, it might be necessary to fix a basic rate of profit to be regarded as generally fair and reasonable. Nor must it appear that special wartime legislation aimed at sabotage and other forms of assistance to the enemy is being or might be employed to crush the legitimate claims of labour. For example, it should be made clear that the Defence of Canada Regulations do not affect such labour activities as peaceful picketing. Labour has not desired special privileges, but care must also be taken to show that it is not being subjected to special disabilities.

One of the difficulties with which some parts of the labour movement may have to deal is the disruptive attitude of Communists and their sympathizers. Such men in the labour movements are happily few, but sometimes because of their political training and definite objectives they exercise an influence out of proportion to their number. The Communist party has, since the outbreak of war, adopted a policy of pro-revolutionary defeatism and has been of real assistance to Nazi aggression. In Canada the party has become illegal and cannot work openly. Its sympathizers, however, will not fail to do all they can to cause dissatisfaction and disunity in the labour movement and to discredit those leaders of labour who will cooperate constructively for the common cause. Those who recognize how fatal to the labour movement as a whole can be the influence of these wily saboteurs will of course be denounced as red-baiters and traitors to the interests of labour. Labour itself can best deal with such influences, but it should not be hampered in so doing by the lack of judgment which condemns without discrimination and disregards the legitimate claims of labour.

A great opportunity awaits the Canadian working men, and Canadian labour may well emerge after the war stronger and better organized to face the difficulties of the post-war era.