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OUR INDUSTRIAL RELATIONS PLAN

W. J. WHITEHEAD

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It seems hardly necessary to point out that the industrial world and, as a direct consequence, society in general is now being shaken and upset by disturbances, conflicts and clashes over the rewards merited by productive effort.

If we confine ourselves to purely material considerations it should not surprise us unduly to find each individual trying to get for himself the largest possible share of the wealth created by industry, extracted from the soil or gained through exploitation of our natural resources, while putting forth the least possible effort and, at the same time, looking to government to supplement his earnings to a degree unjustified by productive results.

All that is human enough in itself and in its manifestations but is inevitably brings in its train certain unpleasant phenomena which are harmful both to individuals and to communities. The instinctive search for the largest share while exerting the least effort can only result in a clash of interests. Rival claims to share in benefits become dangerous when their settlement is sought through stratagems, force and violence and even by duplicity. Such methods are just as human as the sentiments or instincts which give to these clashes and jealousies.

However, the effects of these phenomena go a long way towards poisoning all fields of social and political activity. So it is imperative, in the industrial domain as in every field of human relations, that a positive and inescapable rule should be applied to control the ambitions of some while, at the same time, ensuring that others get their fair share.

One feels the natural need for the establishment of the rule of justice which, in the industrial world as elsewhere, can alone ensure a respect for human liberty and dignity.

The leaders of our enterprise are fully convinced of this because around the Council table they remain individuals with family and moral obligations.

As heads of the enterprise they do not overlook their obligation to help in the establishment of equity. Hence arises their constant desire to ensure that their principals and colleagues, as well as those collaborating in the manual and administrative effort in our plants should get the fair

share which is due, first of all, to each group and then to each member of that group.

But the difficulty arises exactly when they seek to put these desires into practice. The practical establishment of this rule is difficult, as experience constantly reminds us.

How, then, can the fullest justice be done when norms and methods of application are so relative? How can this be accomplished, by fallible men, in conjunction with others whose views and reasoning are likewise faulty.

Many have tried, almost always in good faith, to find the solution. Truly impartial sociologists have sought to enlighten these searchers but they have seldom succeeded in giving them objective guidance.

We are glad to acknowledge that the Roman Catholic Church, through its illustrious pontiffs, its hierarchy and its sociologists preaches an eminently healthful doctrine which ensures invaluable benefits to humanity and guards it from disasters.

The conscientious obligation of assuring our personnel their rights in return for, and to the extent that they show recognition of their duties, as well as the inspiration derived from the magnificent papal encyclicals have all guided and directed our search for a just partition of the rewards.

A general plan for the participation of the worker in the enterprise is indicated, but the question remains: How can one make an honest application of that principle which shall be really profitable to all the parties at interest?

Many plans or systems have been suggested. Some claim that the method of additional remuneration or recompense based on individual production is best. Others have suggested that participation in the real profits of the enterprise is the true panacea.

Experiments made elsewhere have failed to convince us that either one of these systems was so good that it should be adopted without further search.

As executive head of our enterprise I have often asked the personnel: « What is the real value of a man? How and by whom can that value be determined? If one of us decides, will it not be a purely arbitrary decision? »

After a great deal of study, observation and consultation I finally recommended to our Directors

and proposed to our personnel the system which, now accepted by both parties, has been in force with us for almost three years because this plan seemed to exactly solve the difficulty.

Thus accepted in practice at our Three Rivers and Shawinigan mills, the plan has just undergone the severe test of union negotiations at Shawinigan. To our great satisfaction, it has emerged successfully from this scrutiny since, in a collective labour agreement signed on November 6th, the Union officially accepted it.

When this labour agreement was signed the organizer of the Catholic Workers' Confederation declared that the « Share of Receipts from Conversion Pay Plan » was not only timely, but had great social importance.

It seems to me that his official acceptance, as well as this declaration, evidences the value of the plan and compensates us for the time and trouble which its search and application have cost us.

The plan has also shown itself advantageous to our personnel since it has assured them of supplementary earnings equivalent, for the present quarter, to more than forty per cent of their anterior earnings. Since its application the plan has brought about a permanent increase in basic wages equal to ten per cent of regular earnings and supplementary earnings equal, on the average, to twenty per cent of these higher earnings, as well as numerous other advantages.

Its principal characteristic is to raise the tool user to the rank of a partner and give him the conviction that the remuneration for his services is measured only by his skill and application. It is now possible to judge this idea by its results.

In the beginning we had to judge the plan on its own merits. Because its study and application were by no means easy our collaborators had to take it more or less on trust. I am very pleased to be able to thank them today for the confidence which they then showed in me and I would like to assure them that the generous spirit they displayed on that occasion has created very strong ties between us.

For my own part, having had an opportunity to judge the intrinsic value of the plan, I was struck from the first by the fact that it seemed to comprise the very elements of tool users' participation or, better still, the perfect partnership of tool owners and tool users in the enterprise.

In effect, this plan contains the essence of the contract of partnership. « Each of the partners » (the tool owner on the one hand and the tool user on the other) « contributes thereto by bring-

ing in his property, his credit, his skill of his labour. » In fact, the tool owners directly contribute their capital, the equipped plant, their credit and the technical and administrative experience of the management, while the tool users contribute their skill and labour.

The purpose of this partnership is, obviously, to convert raw materials into manufactured products destined for sale.

From the moment the partnership comes into force, the technical value of each one's contribution is established in relation to the added value resulting from conversion. In this is found the theory of added value recognized and sanctioned in all legislative systems and particularly in the Civil Code of the Province of Quebec. This compensates for and corrects the modern tendency to create legislative systems of labour relations.

Such appreciation, objectively applied, averts conflicts which occur in the sharing of receipts from conversion where a definite yard-stick is not mutually agreed upon in advance.

The extent of the « added value » is, of course, determined at the time of sale.

Management is, therefore, absolved from the presently intolerable task of trying to decide, either beforehand or afterward, the value of the effort supplied by the tool user. Prior determination of that value brings with it the risk of injustice because of market fluctuations while posterior determination brings into conflict each partner's thirst for gain.

It is only logical that « added value » should be established by actual sales for, in the last resort, it is the consumer alone who decides the value of goods that have undergone conversion and it is the consumer who fixes the monetary value of the tool user's effort. The consumer does this by judging the product's quality, his need for it, economic conditions, and the law of supply and demand.

No one can force the consumer to buy a product which fails to please him, or one which he can or may want to do without, or one that he can procure more cheaply elsewhere. There is not a single employer of labour who can keep and pay workers to produce goods which he cannot dispose of profitably. It is, therefore, only sensible to defer until the actual moment of sale, the translation into money of the pre-determined value of the share which belongs to the tool owner and the tool user.

Since the time necessary to effect conversion and to ensure timely marketing of the finished product, as well as its sale and the collection of the money, may be somewhat lengthy, the personnel's day-to-day financial needs must be considered.

Our plan provides for this need through bi-weekly advances calculated according to a scale of basic wages or remuneration which is established according to the relative personal and social value of the person and the relative value of the operation or work accomplished by each category in terms of the minimum value of complete conversion.

When the objective value of the product has been determined by its sale, through the skill and commercial efficiency of our sales organization, the tool user receives, in the form of supplementary earnings, the balance due him for his work, that is to say, his share of the receipts from conversion.

The fact that members of the sales organization are remunerated on an incentive basis ensures full protection of the tool users' interests at the moment of sale. These same interests are further continuously protected because all clerical and control staffs are also included in the plan.

As the foregoing indicates, the principle of complete partnership inspires and dominates the whole plan.

I might add that this plan carries the application of the partnership principle so far that neither the executive head of the plant nor his immediate associates need any longer be exigent. Instead, they become technical directors, supervisors of orderly conduct, propagandists for healthy ambition and the growth of personal skills. The idea of harsh surveillance of coercion disappears because, from top to bottom of the ladder, each person is working for himself receiving from his colleagues as well as from his superiors technical collaboration and guidance which is all the more welcome since it is profitable.

I think I am right in saying that this system is calculated to do the greatest possible justice to the personnel and that it is inspired and informed by the great principles recognized down through the ages as being wise. It affords a rampart against artificial improvisations which are suspect both because of their origin and their consequences and for whose acceptance altogether too many doctrinaires are striving so earnestly.

I would like to add that this plan has appeared to me preferable to the numerous profit-sharing systems because, according to statistics, the number of enterprises continuously earning steady profits is very small — a fact which makes the profit-sharing formula rather delusive.

It might be well to reduce the plan, in a few words, to a concrete and comprehensible formula.

When the partnership starts, the tool owner puts his machinery, buildings and equipment at the disposal of the tool users along with his capital,

credit and the skill, technical and administrative efficiency of the management. With his capital or credit he brings to the machinery and to his partners the motive power, the goods to be converted, accessories needed for this conversion and everything which must be obtained from outside to carry on the conversion process. The tool users, by their effort, effect this conversion by making use of the equipment and accessories and by taking advantage of the management's services. A record is kept of the purchase price of everything which is brought in from outside. Account is also kept of the advances made in the form of bi-weekly wages. Once conversion has been completed, the sales organization is charged with exchanging the finished products on the market.

When the money derived from sales is brought in, the receipts from conversion are established by deducting from the proceeds the total cost of motive power, accessories, raw materials and everything coming in from outside. The revenue thus indicated is divided, 47.61% for the tool users and 52.39% for the tool owners. These proportions were agreed upon, in our case, from the outset of the system's application.

Advances made are charged against the tool users' share and the difference between the total of such advances and the balance applicable will be distributed to each person in proportion to what he received in advances according to the base salaries. If, for example, the share of the receipts from conversion belonging to the tool users is \$1,000,000 and the advances made amounted to \$800,000 the balance to be distributed will be \$200,000 or a quarter or 25% of these earnings. Each person will thus receive, as supplementary earnings, 25% of the advances already made to him. When this payment is completed, the tool users will have received the full value of their effort as established by the king of the situation — the consumer. The balance established quarterly is followed by its distribution.

For their part, the tool owners out of the 52.39% must look after all the administrative expenses of the enterprise, payment of taxes, capital expenditures, etc.

Some may want to know how these percentages of 47.61% and 52.39% were arrived at and I would explain that these figures were reached after taking into consideration the prior operations of our enterprise, market conditions, acquired experience and reasonable forecasts based upon that experience. The findings, of course, apply solely to our enterprise, the industry in which it is en-

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MANUELS TECHNIQUES FRANÇAIS

L'une des carences les plus graves constatées jusqu'à ces dernières années dans notre enseignement technique était le manque de manuels français à l'usage des élèves et des ouvriers qui, ayant déjà terminé leurs études, désiraient se procurer des vocabulaires modernes de leurs métiers respectifs. La direction générale de notre enseignement technique jugea à un moment donné que la préparation de tels manuels s'imposait de façon urgente vu le développement pris par notre enseignement spécialisé.

Les professeurs des principales matières enseignées dans nos écoles techniques se mirent au travail pour donner, avec la collaboration de réviseurs compétents, la forme définitive de manuel aux feuilles de cours qu'ils distribuaient à leurs élèves. C'est ainsi que, à la fin de 1945, on pouvait déjà se procurer dans chacune de nos écoles techniques et d'arts et métiers les ouvrages suivants : un *Lexique de mécanique d'ajustage* par M. Lucien Normandeau, un *Lexique de menuiserie* préparé en collaboration, un manuel sur le *Lettrage en dessin industriel* par M. Georges Landreau, un *Cours de menuiserie* en deux volumes par M. Emile Morgentaler, un *Guide du constructeur* en deux volumes par M. Charles Greuier, un ouvrage sur *Les pratiques standardisées dans la construction des habitations* aussi par M. Morgentaler et un traité sur la *Lecture des Plans* par M. Georges Landreau. Ces ouvrages furent tous édités par les soins de la *Revue Technique* durant le temps que l'enseignement spécialisé dans la province relevait du ministère du Secrétariat provincial.

Quand, le 16 novembre 1946, le nouveau ministère du Bien-Etre social et de la Jeunesse décida d'ajouter aux organismes existants de l'enseignement spécialisé placé sous sa juridiction un Office des cours par correspondance, l'hon. Paul Sauvé fit inclure dans les attributions de ce nouveau service le travail de révision et d'édition des manuels techniques français. M. Jean Delorme, nommé à la direction de cet Office avant d'accéder, le mois dernier, à la Direction générale des études de l'enseignement spécialisé, saisissant l'importance de presser la publication de manuels français, accéléra le travail si bien que, en moins d'un an, six nouveaux manuels s'ajoutèrent à la liste de ceux qui étaient déjà mis à la disposition des élèves et

du public en général. Les voici : un *Initiation à l'électricité* par M. Albert Chevalier, un manuel sur le *Dessin industriel* (tracés géométriques) par M. Georges Landreau, un manuel sur les *Organes de machines* par M. Vianney Trudeau, un manuel d'*Algèbre appliquée à l'industrie* par M. J.-A. Cadotte, une *Arithmétique appliquée à l'industrie* par M. Lucien Normandeau, et une *Initiation à la forge* par MM. Leroux, Fortin et Colpron.

Les résultats obtenus par cette section de l'Office des cours par correspondance sont donc déjà considérables, mais il y a plus : une vingtaine d'autres manuels sont en ce moment en préparation et ils paraîtront aussitôt que le travail de révision aura permis de les confier à l'imprimeur. Parmi ces manuels qui, encore une fois, donnent une forme définitive et aisément accessible aux résumés des cours donnés dans nos diverses écoles d'enseignement technique, on note : un ouvrage sur les *Croquis cotés* par M. Germain Berthiaume, un *Mécanique théorique* par MM. Gérard Sénécal et Gérard Juneau, une *Electricité théorique* par MM. Lionel Barbeau et M. Leblanc, un *Radio théorique* par MM. Albert Chevalier et Gérard Grenaud, un ouvrage sur les *Mécaniques d'ajustage* par MM. Poirier et Morgentaler, un manuel d'*Electricité* des moteurs à courant continu par M. Ernest Boisvert, un manuel d'*Electricité pratique* (brochage) par M. Antonio Robert, une *Initiation sur les machines fixes* par M. Henri Gaulin, un manuel sur les *Machines à bois* par M. Emile Morgentaler, (texte révisé par M. Josaphat Rajotte) un manuel en deux volumes de *Menuiserie et Construction* par M. J.-E. Gamache, un ouvrage sur les *Matériaux industriels* par MM. Maurice Barrière et H.-E. Tanner, un manuel sur le *Dessin en ferblanterie* par M. Louis Coulet, un ouvrage sur *L'usage de l'équerre de charpente* par M. Léo Laforest, un ouvrage sur la *Construction du meuble*, par M. Jean-Marie Gauvreau, une *Chimie industrielle* par M. Hector Beauvillé et un manuel de *Soudure* par MM. Lanouette et Gratton.

Dans les prochains numéros

- A propos de propriété, André ROY.
- Le remplacement du personnel, Germain GIROUX.
- Etude sur l'application de la loi des Accidents du travail, F. T. HECKER.
- Les congés annuels payés, Charles BÉLANGER.
- Clause du renouvellement des conventions, Georges-Michel GIROUX.
- La formule Rand, Marius BERGERON.

Retrospective 1947

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Councils are sometimes charged of being slow. Several councils' deliberations lasted several months; on an average a council takes slightly more than two months to settle a case definitely. The workers become impatient, because the various proceedings required for certification, negotiation, and conciliation have already accumulated delay upon delay. To offset such delays, the council's award may be given a retroactive effect, but the fact remains that prolonged delays frequently compel the workers to accept compromises that prove costly on retroactivity. The legislator must therefore strive to make such necessary delays as short as possible. The award should be handed down within three months from the day on which the council is formed; nowadays, proceedings may be prolonged indefinitely though the award must be rendered within the thirty days following the termination of the proceedings. Moreover, in virtue of his office, the Minister ought to be allowed to appoint the arbitrator who is to represent the employer or the employees, whenever either of the parties concerned cannot come to an agreement, within a reasonable delay, as to the choice of the person by whom they wish to be represented. Any dilatory procedure must be eradicated.

There is no doubt but that our labour relations Code should be rewritten. It must not be forgotten that if the Labour Relations Act was enacted in 1944 and has been amended twice since then, the Quebec Trade Disputes Act dates back to 1909 in its actual form. There is a great need for integration and bringing up to date. Therefore, let us hope that the legislator may fully acknowledge the importance of efficient labour laws if he is to safeguard social peace.

One must admit, on the other hand, that however important may be the laws which govern them, labour relations are, first of all, human relations. Uprightness and good faith alone allow laws to be applied with wisdom. Besides it is to be noted that employers and employees alike are becoming more and more adapted to legality and order. To realize this fact one needs merely to glance over the labour news. Those who grossly violate the actual labour legislation are becoming increasingly scarce. And above all, those who violated the law in the Province of Quebec did not reap much benefit from their illegal acts. An employer lost around a hundred thousand dollars trying to substitute an independent union to a recognized one. The union's strike at the Ayers spinning-mills, where arbitration procedure had been ignored, proved an utter failure and ended up in the Assize Court. Meat-packers' strike in which the union would not accept provincial conciliation spelled for the United Packinghouse Workers of America the loss of three or four locals. The C.C.L. shoe-workers' strike in Montreal, the calling of which constituted an open violation of the conciliation and arbitration procedure, is a lost case. We do not intend to implicate here the demands of the workers; they were well justified, since the adjustments were granted. We simply want to bring out the fact that illegality does not

pay the union any more than it does the employer. On the other hand, hundreds of unions affiliated or belonging to the C.C.C.L., T.L.C. and to the C.C.L. abided by the law and have cause for satisfaction that they have done so. Public opinion in our country can still bear the regime of law and order; thank heaven! May the successful bargaining which followed the lawful strikes at the Associated Textiles Limited, and at the Dominion Textile Company Limited not be forgotten.

This review of the year which is about to close thus leads us to conclude that, although laws can undoubtedly be perfected, the most important of all reforms still remains one of a moral nature.

THE EDITORS

ASSOCIATION et CORPORATION

Une erreur, constatée malheureusement trop tard, rendait incompréhensible le texte que nous publions le mois dernier sous le titre « Association et corporation ». Devant la difficulté que représente la reconstitution de ce texte, nous reproduisons ci-dessous, une synthèse du même arrêt, empruntée à La Revue légale (R.L. 1947. no 5):

1—Le terme « association » intercalé à l'article 2D de la loi des Relations ouvrières (S.R.Q. 1941 c. 162A) signifie une réunion libre d'individus poursuivant des intérêts et des buts communs, dont la formation dépend de la liberté, du choix indépendant du salarié, libéré de toutes contraintes et de toutes interventions même les plus recommandables, et non une association à laquelle on serait contraint d'adhérer, même légalement.

2—Ne peut être considérée comme une association au sens de la Loi des relations ouvrières, ni être accréditée comme agence de négociations auprès d'un employeur, l'association résultant d'une loi spéciale constituant en corporation les membres d'une même profession, et obligeant toutes les personnes indirectement, salariées ou représentant les employeurs qui veulent exercer cette profession, d'en faire partie.

3—Il en est autrement d'une association résultant d'un syndicat formé en vertu de la Loi des syndicats professionnels (S.R.Q. 1941 c. 162), lorsque rien, dans la constitution, comme dans son organisation, ne va à l'encontre des libertés prévues par la Loi des relations ouvrières.

Our Industrial . . .

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gaged and the market in which we are interested. The justice of the established proportions may be easily tested and demonstrated. However, they are not immutable for both tool user and tool owner may, for good and sufficient reason, request their modification. What is unchangeable is the system and the true and tried principles on which it is based.

Three years of application have convinced me that the plan is the fairest that could be found. Experience has enabled us to improve it in its application and we are constantly working to perfect it.

I am firmly of the opinion that the innovation which it has brought us in the field of industrial relations may be of great benefit to the tool user, to the tool owner and to society.

NOS COLLABORATEURS

OMER GENEST, D.Ph., L.Th., conseiller moral du Conseil régional Saguenay-Lac-St-Jean des Syndicats nationaux.

W.-J. WHITEHEAD, directeur-gérant de la Wabasso Cotton Co. Ltd, Trois-Rivières.