

Article

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The Recent Developments and Emerging Trends in Labour-Management Relations in the U.S.A. and Canada

Hem C. Jain

Collective bargaining has gone through three different stages in its evolution: organizational, containment and accomodation. However, in the last few years, pressures and complexities in collective bargaining have threatened the very existence of this institution.

In this article, the author explains and analyses recent developments in labour relations, more particularly the creation of committees in large corporations in order to provide for a joint continuing study of the problems and issues of mutual interest to both parties.

Since the 1930's the process of free collective bargaining on the North American Continent has gone through three different stages.

1. Organizational stage
2. Containment stage
3. Accomodation stage

Prior to 1935 the union movement faced opposition and hostility in its efforts to organize workers, and to seek the right to be recognized by management as the workers' representatives in collective bargaining. It was management's belief that unions by their very nature, interfered with managerial authority. The second stage involved containment of the union movement. In the late 1930's and early 1940's, when political, economic and social events made the acceptance of unions necessary, managements philosophy of industrial relations had to change. When collective bargaining became mandatory, management tried to cir-

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cumvent the power and influence of unions by establishing direct management employee communications, and by pursuing policies which would guarantee the maximum amount of managerial authority and control. The third stage may be called the stage of growing accommodation between labour and management. After the second world war, that is in the 1950's, as union and management became more experienced in the process of collective bargaining, their relationship became more stable. This is especially true of large industries where negotiations between labour and management were carried out on an industry basis. Unions obtained institutional protection through the union shop in large industries. High level of employment, and continually rising-standards of living brought about a significant change in the attitudes of top union leaders. The leaders became less militant, more mature and sophisticated. They developed a high degree of social skill in dealing with management and showed moderation and good sense in collective bargaining.

Management's philosophy of industrial relations has also changed in recent years. Management has recognized that unions are here to stay, and it is in its best interest to develop a reasonable working relationship with them. Mr. T.H. Robinson, Industrial Relations Manager, Canadian International Paper Company, and Chairman of the Industrial Relations Committee of the Canadian Manufacturer's Association, in a speech in Saint John, New Brunswick, on October 27, 1959, outlined this new management's philosophy of industrial relations in these words :

« Management has control over the conditions of employment which produce the problem-creating frustrations; management can control the channels of communications through which the company policy and practice are conveyed; management can do more than any other agency to get at the basis for grievances; and management can, by its manner of dealing with union officers, create a business-like climate . . . Collective bargaining should be approached by management not on the emotional terms of a conflict but on the basis that it is a business transaction which it is necessary to complete on a reasonable cost basis. »

Challenge to Collective Bargaining

Despite this change of attitudes on the part of unions and management, and the fact that collective bargaining enjoys an unusually high degree of acceptance in large industries on this continent, both parties at the negotiating table are becoming painfully aware of the pressures and complexities involved in much of today's bargaining. The challenges thrust upon union and management by automation, technological chan-

ges, the changing composition of the labour force, corporate mergers and increased competition from home and abroad not only affect the balance of power in bargaining, but threaten the very existence of the institution of collective bargaining.

Some of the critics feel that the collective bargaining system is collapsing because it can not face today's problems. Perhaps no one has put these criticisms more succinctly than Professor Paul Jacobs of the Institute of Industrial Relations of the University of California at Berkeley, and formerly International Union representative, and a union organizer. He states his conclusions in these words :

« Automation and the particular unemployment it brings to a particular plant are problems obviously beyond the capabilities of union-management collective bargaining. No one can reasonably expect unions to concede that they and their members have become superfluous. No one can expect management to absorb all the costs of moving and training displaced worker, but no one can expect the workers to bear those costs themselves. »¹

Both parties realize that a complete solution of these problems at the bargaining table is not within easy reach. Some of the solutions evolved in recent years such as family movement allowance, severance pay-plans, early retirement, training programs, assistance by Federal Manpower Consultative Service are indicative of the complexities, strains and stresses involved in arriving at such solutions. However, some of the more pressing problems, for instance, revamping of the plant seniority system for lay off, promotion and transfer of employees from one plant to another, will continue to stagger the imagination of experts for decades to come. In recent years fringe benefits, that is, group life and health insurance, privately negotiated pension, supplemental unemployment benefits, and severance pay account for more than 20% of the payroll in some companies. As the time passes the scope and variation of these benefits will become much more complicated.

In addition to these problems, automation and technological development in some industries have served to blunt the most effective weapon of the union movement, that is, the strike. The six-months long strike which occurred last year between Irving Refining Limited, St. John, New Brunswick, and Oil Chemical and Atomic Workers International Union clearly demonstrated the fact that the refinery could be operated at nearly full capacity by the supervisory and technical per-

(1) PAUL JACOBS *The State of Unions*, 1963. Atheneum Publishers P. 260.

sonnel. The management boasted that the refinery was being operated with maximum efficiency without the assistance of organized production workers. There are other industries which can be operated with technical and supervisory staff, such as telephone.

Therefore it becomes more urgent that union and management revise their traditional bargaining techniques and their historical positions. There have been some encouraging signs in the last few years when enlightened union and management leaders have been able to solve most of the long range problems themselves by means of the institution of free collective bargaining. This paper describes some of these creative experiments, which have taken place in the U.S.A., and Canada in the last decade. Some of these new plans in the U.S.A. are the Armour Automation Committee, The Mechanization and Modernization Agreement — West Coast Longshore, The Human-Relation Committee in Basic Steel, and The Kaiser Plan. The Canadian experiments will be dealt with later on.

These plans do not provide a solution to day-to-day problems at the plant level, but they do give insight into the effective long range solutions to them. Union and management have devised different co-operative approaches to their problems, such as, joint study Committees unaided by outside neutrals, or private tripartite bodies with neutrals.

American Experiments

THE ARMOUR AUTOMATION COMMITTEE

Armour & Co. the second largest meat packing company in the U.S.A. closed several meat packing plants between 1956 and 1958. The plants employed 25% of its production workers. Loss of jobs created frustration among union members and brought about intentional slow downs and « wild cat » strikes. Unions demanded in the negotiations a short work week, limitations on sub-contracting, guaranteed employment, advance notice of plant shutdowns, and the right to reopen the entire contract in the event of another plant closing.

However, guaranteed employment was the main issue in bargaining. The Company was afraid that a costly strike would ensue if something was not done to assist the displaced workers. The Company agreed to the establishment of a Committee having equal representatives from

union and management, chaired by a neutral executive director, to study the problems and make recommendations. The six main recommendations of the Committee, which were accepted by unions and management can be summarized as follows :

1. The company must give 90 days' notice before closing plants.
2. Transfer seniority rights were established. Included herein was a clause relating to « replacement plants » which was to loom very large in the future of the Committee. Employees transferred to a replacement plant were to be « credited with all continuous service and seniority rights held at the closed plant ».
3. The Fund was to pay relocation costs.
4. Technological adjustment pay was established which was to provide funds for displaced workers awaiting transfer.
5. Severance pay was improved.
6. Provision was made for early retirement at age 55 at one and one-half times full retirement pay. ²

PACIFIC MARITIME ASSOCIATION PLAN

Another example of the establishment of a fund to cushion the effect of technological changes is found in the agreement reached in 1960 between the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union. The management of the shipping industry was greatly concerned with rising costs and was interested in mechanizing cargo handling and loading methods. Union, as a matter of policy, viewed mechanization and modernization of operations as a threat to their jobs and would not readily agree to such changes. However, in 1957 the unions realized that, though they had succeeded so far in protecting jobs by the so called « system of work rules », management went ahead anyway with the technological changes. The Union felt these changes would affect the job security in the long run, and decided on a change in tactics. The union demanded « a share of the machine in return for the employers demand for full freedom to modernize. » In other words the union would agree to permit the introduction of labour saving devices and methods on the docks if workers were allowed to share in the benefits from mechanization. Finally, in 1961, both parties signed an agreement under which :

(2) *Creative Collective Bargaining*, Edited by James J. Healey, Prentice-Hall, New Jersey, p. 151.

« The ship owners and stevedoring contractors are freed of restrictions on the introduction of labour saving devices, relieved of the use of unnecessary men and assured of the elimination of work practices which impede the free flow of cargo or ship turn around. These guarantees to industry are in exchange for a series of benefits for the workers to protect them against the impact of the machine of their daily work and of their job security. »⁵

Under this agreement, a fund called « The Mechanization and Modernization Fund » was created to provide security for the workers. The fund, which will amount to five million dollars is to be financed on an annual basis from the contribution of the members of the Pacific Maritime Association.

As a result of this agreement the labour relations of the industry on the West coast became highly centralized. The Joint Coast Labour-Relations Committee, which was originally set up to settle grievances at the top, became a forum for exchange of ideas and mutual problems on a continuing basis. The greater centralization of authority on both sides has resulted in greater uniformity in contract administration.

The Pacific Maritime Association Agreement is different from the Armour Automation Committee in that the Pacific Maritime Agreement was reached without the participation of neutrals. Both parties were committed from the beginning to work out the solutions of their problems among themselves. They had faith in each other which helped reach an eventual agreement.

KAISER PLAN

Another unique plan called the Kaiser Plan has been widely discussed and publicized all across the continent. The plan was developed in 1959 when the Kaiser Steel Company broke away from the other companies during a one hundred and sixteen days industry-wide steel strike, and established a tri-partite committee, consisting of union and management representatives and third party neutrals. Mr. Kaiser, who took the initiative in forming this committee, hoped that it would develop a plan for equitable sharing between the stockholders, the em-

(3) *Men & Machines*, Edited by Louis Goldblott, (San Francisco, International Longshoremen's & Warehousemen's Union & the Pacific Maritime Association 1963), P. 3.

ployees, and the public of the fruits of the company's economic progress. »⁴

The committee agreed upon a plan which divides savings resulting from cost reductions through increased efficiency. The plan also provides job security. In substance, it protects jobs and income against technological changes. It guarantees wages and benefits equal to or better than the rest of the steel industry. It provides for lump-sum payments to such incentive employees who are willing to withdraw from the incentive systems.

From management's point of view the replacement of the existing incentive system for those workers who choose the plan in the most desirable feature of the plan. Management is becoming increasingly aware of the fact that wage incentive systems instituted earlier for the purpose of increasing productivity have become outmoded, and that it is the machines, not the men, that increase production. Many other large companies are seriously considering doing away with the wage incentive systems.

Under this plan management is assured of uninterrupted production, free from the threat of strikes at least for four years. As far as the success of the plan is concerned, in the first few months of its operation in 1963, the monthly bonus for the employees averaged \$100., and it dropped to \$14. in April, 1964. As the bonus dropped sharply in 1964, it gave rise to some concern. The Committee discovered that reduction in bonus payments could be attributed to several reasons; inexperienced employees, problems in accounting and administration, etc. The Committee recommended several changes in the plan to fit it to the changing circumstances. One such change was that new employees were to be barred from sharing in cost-savings until they had been on the job for six months.

The Kaiser Plan has proved to be successful and beneficial to both parties so far because union and management have demonstrated their willingness to change the cost sharing plan or even replace it with something else if the present plan doesn't meet the specific objectives of both parties. Professor George Taylor, Chairman of the Long-Range Committee in assessing the success of the Kaiser Plan has this to say :

(4) *Monthly Labour Review*, Vol. March, 1959, page 82.

« If this plan works, it will be because the people on both sides want it to work. If there is anything transferable about it, it is not the specific arithmetic but the basic principles of progress plus security on which it is built. It grows out of the determination of both sides to get away from crisis bargaining and work out realistic programs of dealing with the human problems of technological change. »⁵

THE HUMAN RELATIONS COMMITTEE

In January, 1960, the Human Relations Committee in the Basic Steel Industry was established to plan studies and recommend solutions of mutual problems. To be more specific, the committee was asked to study problems in the following areas :

- (A) 1. Guides for the determination of equitable wage and benefit adjustments.
2. The job classification system.
3. Wage incentives, including development of appropriate guides for determining fair incentive compensation.
4. Seniority, including maximum practicable protection for long-service employees against layoffs.
5. Medical care.
6. Such other oral problems as the parties by mutual agreement may from time to time refer to such committee.

The Composition of the Committee as provided in the agreement is as follows :

1. The Human Relations Research Committee shall be composed of an equal number of representatives designated by the parties to such memorandum agreement (the number of which by agreement of the parties may be changed from time to time), and shall be under the co-chairmanship of two persons of outstanding qualifications and objectivity, one to be designated by the company parties to such memorandum agreement and the other to be designated by the union.
2. The Human Relations Research Committee shall be empowered to retain, by mutual agreement of the co-chairman thereof, qualified experts and services in the various fields of study for the purpose of consultation and advise.

(5) A. H. RUSKIN, « An Approach to Automation, the Kaiser Plan ». *New York Times Magazine*, No. 3, 1963, p. 116.

3. The expense of Human Relations Research Committee work shall be shared equally by the parties. ⁶

There are several sub-committees which are set up to study in detail each of the questions referred to the main Human Relations Committee. No minutes are kept of the proceedings of the meetings in order to facilitate frank exchange of ideas.

Commenting upon the accomplishments of the Human Relations-Committee, Mr. R. Heath Larry, Administrative Vice-President of Personnel Services of the United States Steel Company, and a member of the Committee, at the end of 1963 negotiations said,

« Perfect answers have not been the result thus far and, no doubt, will not be in the future. But there has been progress — considerable progress. Settlements have increasingly recognized a reflection of the economic realities of the Companies in the Steel industry and of the needs of the employees. Such progress can and, we believe, will continue.

Two characteristics of the recent settlements deserve separate note because they have a bearing upon possible future developments. One is the provision for one hundred and twenty days notice of reopening. As the time goes by, however, there may be further evolution of this type of notice provisions. The concept of a long-term contract with a definite termination date is, it would seem, reminiscent of the concept of labour agreement as a kind of treaty — the basis for a truce until battle can again be joined. It is symbolic of a relationship based upon force rather than a relationship based upon an effort to apply reason to problem solving.

If enough progress in improved understanding can come about, there may ultimately be no more reason to have stated contract termination dates than there will be to fail currently to deal with a problem which is jointly recognized, merely because it arises « between negotiations ».

The other point relates to what we call the « experimental agreement ». Four sensitive areas have been dealt with in the current agreement by their inclusion within an experimental arrangement which is of specific duration; further mutual assent is required to continue such provisions even for the full minimum duration of the remainder of the agreement. A part of the background for this approach stems from a union tradition over the years that nothing should be done to bring about a change, even to correct an acknowledged mistake, if so doing might reduce a benefit of some kind to some employee. Inflexibility of this kind does not encourage constructive experimentation with new approaches to solving problems. Hopefully, further progress may be made in jointly altering this view,

(6) *Agreement between the United States Steel Corporation and the United States Steel Workers of America*, January 4, 1960, Principle U.S.A., page 86.

(7) R. HEATH LARRY. « Steel Human Relations Committee », *Steelways*, Volume 19, No. 4, September, 1963, page 19.

for only when such occurs can a truly constructive, progress and flexible relationship be established which will make possible the greatest progress for all concerned .⁷

In the initial stages, the main Human Relations Committee, was concerned only with fact finding. Later on the main committee and various sub-committees were given the responsibility of making joint recommendations where possible. In the 1962 and 1963 negotiations, the main Human Relations Committee and other sub-committees have met the test successfully. However, the difficulties lying ahead for the Committee should not be underestimated. It is only through continued hard work and co-operation on the part of both parties that such an approach can work effectively.

COMMON CHARACTERISTICS

In all of the above-mentioned plans and experiments there is one common characteristic, they provide for a joint continuing study of the problems and issues of mutual interest to both parties. These experiments indicate that the institution of Collective Bargaining is adapting itself to a new climate. In some instances parties included neutrals, because these outsiders were men of skill and knowledge, who could deal with the problems at hand more objectively and might bring a different viewpoint to the bargaining table. In other cases it was felt that outsiders would not have an intimate knowledge of the problems existing in the industry, and instead of assisting the parties they might create suspicion and distrust in the initial stages of the formation of a study group, particularly, if they were brought in at the request of one party. This is true of the Pacific Maritime Association Plan where union and management avoided the use of neutrals by agreeing to a well-defined set of objectives, which made the work easier later on.

All these new techniques are keeping the institution of Collective Bargaining alive. Professor Jacob's earlier criticism that free collective bargaining is collapsing, and has become an obsolete institution does not seem to be justified. He is correct in saying that problems of unemployment cannot be solved by union and management at the bargaining table alone, and that government assistance is of urgent necessity. It is also true that the traditional bargaining techniques and methods are of little use in handling many complex issues and problems facing management and labour today. But to equate obsolescence of the techniques and methods with the obsolescence of the collective bargaining as an insti-

tution is rather misleading. There are, and have been in the past, enlightened union and management leaders who have invented and utilized the new mechanism to accommodate the institution of collective bargaining to the changing needs of the times. However, the success of these co-operative approaches to collective bargaining depends on the attitude and determination of labour and management leaders to find ways and means by mutual consultation to settle their own differences.

The American plans are tailor-made for specific situations. However, the general principles on which the above-mentioned creative experiments are based are equally applicable to the Canadian scene.

Canadian Experiments

The Canadian experiments will be discussed under two headings.

1. Labour Management Co-operation in the Area of Labour Legislation.
2. Labour Management Co-operation at the Plant or Industry Level.

LABOUR MANAGEMENT CO-OPERATION IN LABOUR LEGISLATION

Unlike the United States, labour management relations in Canada lie under provincial jurisdiction. It is fair to say that in many provinces of Canada the labour legislation is unduly restrictive. There is a tendency among powerful union and management groups to submit individual briefs to the provincial government in the hope that the new legislation or amendments to the existing legislation would meet its immediate objectives. This obviously leads to more and more statutes on the book and increases litigation. It has often resulted in creating an unfavourable industrial relations climate. In some Provinces union and management leaders have become greatly disturbed over the increasingly restrictive legislation and felt that if they did not sit together and discuss their mutual problems, there is every likelihood that government intervention in the process of free collective bargaining would increase in the years ahead.

A notable recent development in the area of labour management co-operation is the « Nova Scotia Labour Management Agreements ». Under these agreements labour and management submit joint proposals to the Provincial Government regarding labour legislation. In the Spring

of 1962, the Institute of Public Affairs, Dalhousie University, set up a Joint Labour Management Study Committee consisting of four representatives from management, four from labour, and two from the Institute to discuss the problems faced by union and management in the Province of Nova Scotia. Later on in November, 1962, a conference of labour management representatives from the Province of Nova-Scotia was called to review the findings of the Joint-Study Committee. The firms represented at the conference employed about twenty-five thousand people, and the representatives of the unions spoke for thirty thousand workers. The conference approved a joint six-point agreement. The most significant point in the agreement was that both parties declared a « moratorium on further appeals to the legislature for amendments to the Nova-Scotia Trade Union Act ».

Immediately after the first conference the Joint Labour Management Study Committee was expanded to sixteen members to make it more representative. The second conference of Labour Management Representatives in Nova Scotia held in May 1963 approved the expansion in the membership and agreed that the work of the Joint Labour Management Study Committee be continued. Further the conference felt that the moratorium on the changes in the legislation should be lifted temporarily while joint proposals were presented to the Provincial Legislature. However, the following two were the most notable points in the second six-point agreement; first, that a conciliation board be appointed by the government only on request of both parties to a dispute, and secondly, that results of all recommendations approved by the conference be reviewed annually.

In pursuance of the last recommendation the Third Joint Labour Management Study Conference was called in November 1964. This writer attended the conference and acted as a chairman of one of the study groups. On the basis of the data provided by the Nova Scotia Department of Labour, the committee reported that their experience to date indicated that the amendments to the Nova Scotia Trade Union Act passed earlier by the Provincial Legislature had the desired effect, and that no changes were called for a present. The amendment passed were substantially the same as presented by the Study Committee to the Nova Scotia provincial cabinet in a brief in January 1964.

Similar attempts are being made in the Province of Manitoba. In June, 1964, at the initiative of the Provincial Department of Labour, a

Manitoba Labour Relations-Labour Standards Review Committee, was set up with Dean H. D. Woods of McGill University as its Chairman. The basic objective of this Committee is to review the existing labour legislation, and to submit proposals regarding changes in labour legislation in the province after labour and management representatives on the Committee have reached some concensus.

In the Province of Quebec a similar study group called the « Superior Labour Council » was formed in 1941, and was inactive between 1951 to 1961. The purpose of this group is to make proposals to the government regarding changes in the existing labour legislation or to submit proposals for new labour legislation. Representatives from labour and management together with neutrals « conversant with social and economic problems » constitute the membership of the Superior Labour Council. The latest proposals, submitted by this Council after a long study, were embodied in the New Labour Code.

LABOUR MANAGEMENT CO-OPERATION AT PLANT AND INDUSTRY LEVEL

Some of the most significant developments in the labour management co-operation at industry or plant level in Canada are :

1. The DOMTAR Experiment.
2. Railways Job Security Fund.
3. The Eastern Canada Newsprint Group Joint Resolution on Automation.

Domtar Experiment

The Dominion Tar and Chemical Company, a broadly diversified company, has pioneered in calling a series of meetings between representatives of labour and management and the local unions throughout its enterprises all across Canada to bring about a better understanding between labour and management and to create mutual trust. The company has dealings with 120 locals which are represented by some 27 national and international unions. At the first two-day conference held on November 20 & 21, 1962, there was no agenda or program. The conference was attended by 12 senior executives of the company and several top level union representatives. Most prominent among them were; William Dodge of the Canadian Labour Congress, Jean Marchand of the Confederation of National Trade Unions and Gordon Cushing, Assistant De-

puty Minister of Labour of the Federal Government. Dr. John Deutch, Chairman of the Economic Council of Canada was the moderator. The meeting decided to discuss the following subjects :

1. Problems and questions concerning pension plans.
2. Displacement of labour resulting from automation, obsolescence, technological changes and market changes. This topic was broken down into three headings :
 - a) Advance information and consultation between the parties;
 - b) Methods of training and retraining workers; and
 - c) The relocation of workers.
3. Examination of the effects of changing trade pattern on the company and its employees, and what should be done to meet the challenge of the European Common Market, the Kennedy Trade Program and other similar economic problems.
4. Information and communications, and the mechanism for continuing consultation on matters of mutual interest.

At the end of the first conference both parties felt that it had been successful, and agreed that they should meet again. The second meeting was held in October 1963 « to work out principles of co-operation and to find a mechanism for bringing the co-operation philosophy down the line in the union and the company ». Both parties also discussed the ways and means to minimize the effects of automation, and appointed a joint sub-committee to find a formula « which would permit displaced persons to relocate in other company locations under different jurisdiction without losing all seniority rights ». In November 1964, the sub-committee reached an agreement on a « Plan for Reciprocal Transferable Seniority ». Under the plan an employee with a minimum of five years of company service, whose services have been terminated for no fault of his own, will be eligible to transfer his seniority at a new location to which he might be transferred. « Transferable seniority will be calculated on the basis of one year of transferable seniority for each five full years of company service to a maximum of five years transferable seniority ». The plan will be administered by a joint labour-management Committee. In the event labour and management representatives of the Committee disagree as to the manner in which the plan should be implemented, an umpire will be appointed to resolve such differences. He will also settle any grievances which might arise from the interpretation or administration of the plan. The award of the umpire will be binding on both parties.

Mr. Matheson, Executive Director Public Relations & Employee Relations « DOMTAR », expressing his company's views on labour-management relations, has this to say :

« Our labor-management attitudes have to mature and become more progressive. We are now following the United States' practices which clearly are not a model to follow. We should learn from Sweden, France, Germany, or England, but we should design our own system to suit our own Canadian needs. We should move slowly in this area. If we want labor-management co-operation to fail, the way to set out to achieve failure is to go out and set up a mechanism for labor-management co-operation without going through the first and necessary step — that of creating in management and labor the desire and the need for such co-operation. This may be a time consuming operation as there are many reactionaries in our midst. Like everything that is worthwhile, it will require effort, education and dedication ».⁸

Commenting at the DOMTAR conference, Mr. Henry Lorrain, Vice-President, International Brotherhood of Pulp, Sulphite and Paper Mill Workers Union, in a speech said :

« The recent DOMTAR management labour conference in St. Agathe, Quebec, was an occasion both for hope and discouragement. The conference was an important event, precisely because it was based on and was designed to further the « problem solving » philosophy and approach I have referred to, and yet I can't help feeling a little discouraged because DOMTAR'S philosophy still appears as a rather exceptional, if not isolated, example among large Canadian employers ».⁹

Railway Job Security Fund

Another important example of labour-management co-operation in dealing with the problems of displaced workers resulting from the accelerating advance of automation and technological changes was the agreement reached in 1962 between the two major railway companies and the union representing their non-operating employees. An important provision in the new collective bargaining settlement was the establishment of a job security fund. The employers agreed to contribute 1 cent per employee per hour worked to this fund. This fund will be used primarily to help the displaced workers in their adjustment, that is, to provide for transportation, resettlement, and training costs or other kinds of support as agreed upon.

(8) Address by D. M. Matheson, Executive Director, Employee and Public Relations, DOMTAR, to *Industrial Relations Research Association, Montreal Chapter*, April 27, 1964.

(9) *Canadian Pulp and Paper Association*, 1963 Fall Conference Proceedings Industrial Relation Section, p. 13.

The Eastern Canada Newsprint Group Joint Resolution on Automation

In May 1963, the Companies and the unions of the Eastern Canada Newsprint Group passed the following joint resolution dealing with the problems of automation :

« The Companies and Unions of The Eastern Canada Newsprint Group, meeting in Halifax, N.S., on May 29-31, 1963, have discussed at length the problem which is created by the accelerating advance of automation and technological change. They recognize that these advances in productivity are essential to continued progress against the competitive pressures of the world industry. They also recognize, however, that automation creates serious concern through the fear of loss of employment, and agree that they should jointly state their views and policy on the subject.

To maintain their competitive position the mills must continue to raise their productivity, and they must continue to make every effort to hold down their production costs. Should they fail in these aims, it could only lead to the decline of the great newsprint industry of Eastern Canada. Technical improvements must be a vital part of these efforts, and their impact on the working group and on each individual concerned must be squarely faced.

The Companies and the Unions accept that they have, jointly with Government, a real and direct responsibility at all levels to reduce to a minimum such adverse effects as may devolve from automation and technological change. They have agreed to work jointly to seek ways in which such adverse effects may be foreseen and mitigated.

When plans are being made to introduce new equipment or a new production process which will result in a reduced labour requirement, the Companies have agreed to discuss the plans fully with their Local Unions at an early date. Such discussion should cover the problem of retraining or relocating, so far as this may be practicable, the men who may be displaced by the new equipment or technological change.

Automation is not to be feared, it must indeed be encouraged as essential to the continued prosperity of all concerned in the industry. It may, however, bring with it major social problems. These problems are the common interest and responsibility of Government, Companies and Unions, and the three parties must work in concord to meet them ».¹⁰

Later on, in October 1963, this resolution was endorsed in principle by a joint labour management conference, convened by the Institute of Public Affairs, Dalhousie University, Nova Scotia.

In adopting this resolution both management and labour felt that they have everything to gain and nothing to lose if these proposals are

(10) *The Nova Scotia Labour-Management Agreements*, a paper presented by Professor John Crispo at the Economic Council of Canada, Nov. 1964, p. 27.

allowed in the spirit in which they are designed. Management rights will not be affected and Labour's support will ensure the smooth and most profitable introduction of technological change. « Labour, in turn, is assured the greatest degree of security for the membership, with full opportunity at all stages to obtain the best solution for each individual. For both parties together, smooth changes to higher efficiency are a guarantee of long-term prosperity, and of the expanding development that is profitable for all ». ¹¹

LIMITATIONS

These creative approaches to collective bargaining and the new devices used to encourage maximum consultation and cooperation between labour and management represent the efforts of a relatively small group of management and labour leaders. The fact still remains that union and management leaders as a whole are reluctant to embrace the DOMTAR's philosophy and the principles enunciated in other creative approaches. It is difficult to predict at this time whether or not the small group of enlightened labour-management leaders responsible for inventing the new mechanisms which make the process of collective bargaining work will prove to be the pattern setters. Probably they will.

The considerations which may bring the feuding parties together to solve their mutual problems may vary from company to company, from industry to industry, and from one province to another. In the case of Nova Scotia, the high rate of unemployment caused labour and management to seek common grounds. Both parties felt that by improving the industrial relations climate in the province they would be able to retain the present industries as well as attract new ones. A combination of the following environmental factors made the Nova Scotia experiment a success :

« Why they waited so long to try a new approach is more difficult to explain. The answer no doubt lies in a combination of factors. While the circumstances were ripe, something more was still required. There had to be some inspiration and some one had to act as the catalyst. After Judge McKinnon supplied the inspiration, the Institute of Public Affairs at Dalhousie University, through its Director, Guy Henson, served the role of the catalyst. It remained then for labour and management to rise to the occasion. This called for a high order of labour and management statesmanship : it took some backbone for the management representatives who were involved in the initial meetings to come out so strongly for some of the things

(11) Minutes of the Third Joint-Management Study Conference.

that they did and it took some courage for their labour counterparts to enter into the spirit of the process without any official authorization. It has taken this kind of leadership on both sides throughout to make this venture the success that it has so far been. »¹²

Another important factor which contributed to the success of this experiment was the role played by the provincial government. The Nova Scotia Provincial Department of Labour worked behind the scenes and supported the activities of the group by giving financial grants.

The relevance of the Nova Scotia Experiment to other provinces of Canada depends to a large extent on the environment to which its principles are applied. Manitoba, Alberta and Prince Edward Island have found the Nova Scotia Experiment useful and are in the process of adapting its principles to suit their own particular setting and needs. However, in the province of New Brunswick, the attempts made by the Provincial Department of Labour to encourage consultation and cooperation between labour and management have failed to produce any results so far. This may partly be attributed to the paternalistic attitude of the officials of the department and their desire to play a prominent role in forming the group and directing its activities. The lack of success may also be ascribed in part to the negative attitude toward such consultative devices found among some of the most influential and powerful employers in the province. It seems that the department officials are more solution oriented than problem oriented. The tendency is to place emphasis upon reaching agreement rather than to get at the root of the problem. The details of the mechanism devised by the labour management group in Nova Scotia need not be copied in New Brunswick but the principles underlying the Nova Scotia experiments should be carefully studied and adapted to suit the environment.

Conclusion

It is too early to evaluate the full significance of these new experiments. However, one thing is clear that both union and management realize that if they don't find new approaches to solve these problems, and don't take positive steps in bringing about an improvement in their day-to-day relationship, the institution of free collective bargaining may be in jeopardy. What is needed most is a better understanding and more willingness on the part of labour and management to develop new creative approaches to collective bargaining.

(12) JOHN CRISPO, *Op. cit.*, pp. 20-21.

The experiments described above may sound very easy and simple. However, but for the hard work, the frustrations and the courage and leadership on the part of union and management, these creative and successful approaches would not have been possible. Joint consultation and study do not necessarily eliminate strikes and conflicts. But in recent years the concept of joint fact finding and objective analysis has made progress in gaining material advantages for both parties with minimum of strife and, therefore, they seem to hold greater promise for better labour-management relations in the future.

TENDANCES NOUVELLES DANS LES RELATIONS PATRONALES-OUVRIÈRES EN AMÉRIQUE DU NORD

Une crise sérieuse menace actuellement l'institution solide qu'est celle des négociations collectives. L'automation, les changements technologiques, les fusions de sociétés et la concurrence étrangère et domestique toujours plus intense, sont comme un défi jeté à la face du patronat et des syndicats. Ils modifient l'équilibre des forces de négociation et mettent en péril l'institution elle-même. Le professeur Paul Jacobs de l'Institut des Relations Industrielles de l'Université de Californie à Berkeley, un ancien membre des syndicats internationaux et un organisateur de syndicats, est d'avis que le système des négociations collectives est sur le point de s'effondrer. Selon lui, « l'automation et le type de chômage qui en résulte pour une usine présentent des problèmes qui dépassent sans aucun doute les possibilités des négociations collectives par le patronat et les syndicats. »

De plus, l'automation et les développements de la technologie dans certaines industries ont eu pour effet d'émousser l'arme la plus efficace des syndicats, la grève. L'an dernier lors de la grève de six mois contre Irving Refining Limited à Saint-Jean, Nouveau Brunswick, on a bien vu qu'il était très possible d'opérer une raffinerie presque à plein volume avec la seule aide des chefs de division et du personnel technique. D'autres industries, comme celle du téléphone, sont dans le même cas.

Les syndicats et le patronat doivent donc, sans tarder davantage, examiner leurs techniques traditionnelles de négociations et leurs positions historiques respectives. Les dernières années ont vu apparaître quelques signes encourageants. Des militants patronaux et syndicaux ont réussi à résoudre la plupart de leurs problèmes à long terme grâce au procédé des négociations collectives.

Cet article a pour but de décrire quelques unes de ces expériences créatrices qui ont eu lieu aux Etats-Unis et au Canada au cours des dix dernières années. Aux Etats-Unis, on a vu naître « The Armour Automation Committee », « The Mechanization and Modernization Agreement - West Coast Longshore », « The Human-Relations Committee in Basic Steel », et « the Kaiser Plan ». Quant aux expériences canadiennes, elles seront discutées dans la seconde partie de cet article.

Ces initiatives n'offrent pas une solution aux problèmes journaliers de l'usine mais elles indiquent la possibilité de trouver une solution efficace aux problèmes à long terme. Les syndicats et le patronat ont imaginé et utilisé divers moyens de collaborer pour résoudre ces problèmes tels que comités paritaires d'étude sans l'aide de parties indépendantes recrutées au dehors, ou groupes privés à trois avec l'aide de parties indépendantes.

LES EXPÉRIENCES AMÉRICAINES

Armour & Company, qui tient le second rang des usines de salaisons aux Etats-Unis, a fermé plusieurs établissements dans la période 1956-1958, établissements où travaillaient 25% du total du personnel de production. Lors des négociations, les syndicats ont exigé une semaine de travail plus courte, la garantie de leur emploi, un préavis de fermeture d'usine et le droit de renégocier la convention collective même à la fermeture d'une usine. Vu la possibilité d'une grève coûteuse, la compagnie a accepté la constitution d'un comité, comprenant un nombre égal de représentants des syndicats et du patronat, présidé par un membre du personnel de direction non concerné par le différend. La fonction du comité était d'étudier les problèmes et de faire des recommandations. Les principales recommandations sont citées ci-après. La compagnie est obligée d'avertir le personnel 90 jours avant la fermeture de l'usine. Il est possible de transférer les droits d'ancienneté. Quand un membre du personnel est transféré à une autre usine il garde ses droits d'ancienneté et ses états de service continus inchangés. Une caisse spéciale est établie pour payer le coût du transfert. Il est stipulé que les ouvriers peuvent prendre leur retraite à 55 ans et que leur retraite sera majorée de 50%.¹

Pacific Maritime Association Plan

La grande préoccupation des patrons de l'industrie de la marine marchande était l'augmentation des prix de revient et ils désiraient mécaniser au maximum le chargement et la manutention des cargaisons. Le point de vue des syndicats au contraire était que la mécanisation et la modernisation du travail menaçait leur emploi. Cependant ils étaient prêts à autoriser l'usage de méthodes d'économie du travail pourvu que les travailleurs puissent recevoir leur part des économies financières ainsi réalisées.

Le « Pacific Maritime Association Agreement » diffère de l'« Armour Automation Committee » du fait de l'exclusion des parties indépendantes.

Kaiser Plan

Au cours de la grève de 1959 qui frappait toutes les aciéries des Etats-Unis, la compagnie Kaiser s'est dissociée des autres compagnies; et Mr. Kaiser a institué un comité tripartite, syndicat, patronat et neutres, ayant pour but d'arriver à un plan pour organiser « un partage équitable des fruits du progrès économique de la compagnie entre les actionnaires, les employés et le public. » Le comité est tombé d'accord sur un plan qui avait aussi l'avantage de protéger les situations

(1) *Creative Collective Bargaining*, édité par James H. Healy, Prentice Hall, New Jersey, p. 151.

des ouvriers et leur salaire contre les conséquences des changements technologiques. De fait on leur garantit des salaires et des avantages sociaux égaux ou supérieurs à ceux du reste de l'industrie de l'acier. Ce plan se propose de payer une somme d'argent net à tous les employés qui acceptent de renoncer au système de primes au rendement. La raison pour laquelle le « Kaiser Plan » a été un succès jusqu'ici et une source d'avantages pour chaque groupe est que les syndicats et le patronat ont montré qu'ils étaient prêts à changer le système de partages des coûts ou même à le remplacer par un autre au cas où celui qui est présentement en usage ne rencontrerait pas les désirs et les objectifs des deux parties.

Human Relations Committee

En janvier 1960 le « Human Relations Committee in the Basic Steel Industry » a été constitué dans un but d'études et avec mission de recommander des solutions à des problèmes communs tels que classification des tâches, système d'ancienneté, la plus grande protection possible pour les employés ayant le plus d'ancienneté en cas de mise-à-pied et lors du réembauchage, et autres problèmes. Un des membres du comité, Mr. R. Heath Larry, qui représentait U.S. Steel Co., parlant du travail accompli après les négociations de 1963, s'est exprimé ainsi :

Nous n'avons pas encore trouvé les solutions parfaites et sans doute nous ne les trouverons pas non plus. Mais nous avons fait des progrès, cela dit sans équivoque. De plus en plus les réalités économiques du comité et les besoins des employés sont reflétés dans les conventions. Je suis persuadé que nous sommes capables de progresser dans cette voie et que nous y progresserons.²

Caractères communs de ces plans

Le caractère commun à chacun de ces plans et de ces initiatives est l'établissement d'un comité mixte pour étudier les problèmes et les questions pendantes auxquels les deux groupes s'intéressent. Ces essais montrent que l'institution des négociations collectives est capable de s'adapter à un changement de circonstances. Les plans américains sont étroitement adaptés à des situations particulières. Cependant les principes généraux qui les ont inspirés sont tout aussi valides pour des situations purement canadiennes.

LES EXPÉRIENCES CANADIENNES

On peut distinguer deux catégories dans les expériences canadiennes, 1) la collaboration des syndicats et du patronat sur le terrain de la législation du travail, et 2) la collaboration des syndicats et du patronat au niveau de l'usine ou de l'industrie.

Collaboration des syndicats et du patronat sur le terrain de la législation du travail

Contrairement aux Etats-Unis les questions des relations entre les travailleurs et le patronat sont du ressort des provinces. Au Canada les lois du travail penchent

(2) R. HEATH LARRY, « Steel Human Relations Committee », *Steelways*, Vol. 19, No. 4, septembre 1963, P. 19.

vers la sévérité. La tendance générale est de légiférer sur un nombre toujours plus grand de facettes des relations industrielles, avec comme résultat inévitable, une augmentation du nombre des litiges et une atmosphère orageuse dans les relations industrielles dans le passé. C'était le cas en Nouvelle-Ecosse et l'une et l'autre des parties en sont venues à penser que l'intervention du gouvernement dans les processus des négociations collectives libres s'imposeraient toujours davantage à moins que les parties se décident à se rencontrer pour discuter de problèmes communs.

L'Institut des Affaires publiques de l'université Dalhousie a alors suggéré une réunion entre les deux parties, syndicats et patrons, sous ses auspices et dans ses murs. C'est au printemps 1962 que le « Joint Labour-Management Study Committee » s'est réuni pour la première fois pour discuter de problèmes communs, et au mois de novembre suivant les syndicats et le patronat se sont réunis en congrès sous les auspices de l'Institut des Affaires publiques et ont donné leur accord au « Joint Six Points Agreement. » La clause la plus significative était celle où les deux parties demandaient un moratoire sur les requêtes à l'Assemblée Législative concernant les amendements au Code du Travail de la Nouvelle-Ecosse. Un second congrès a eu lieu en mai 1963 et a exprimé le désir que le gouvernement s'abstienne de nommer un conseil de conciliation à moins d'en avoir été prié par chacune des parties. Une autre recommandation prévoyait que les propositions du comité soient revues et approuvées chaque année par le congrès. L'auteur de cet article a eu le privilège d'assister au troisième congrès en novembre 1964 et de présider un des groupes d'étude. Après avoir examiné les rapports fournis par le Ministère du Travail de la Nouvelle-Ecosse, le comité s'est déclaré satisfait des résultats obtenus et des changements au Code du Travail, et a jugé que de nouveaux changements n'étaient pas nécessaires. Il faut ajouter ici que les changements au Code du Travail opérés par l'Assemblée législative avaient suivi dans les grandes lignes les recommandations que le comité avait présentées au Cabinet provincial.

Des essais du même genre ont aussi pris place dans les provinces du Québec, de l'Alberta et du Manitoba.

Collaboration entre syndicats et patrons au niveau de l'usine et de l'industrie

DOMTAR

La DOMTAR Chemical Company, qui a des entreprises très diversifiées, fut une des premières à instituer une série de réunions entre représentants des syndicats, du patronat et des sections locales, dans toutes ses branches et dans tout le pays, dans l'espoir d'arriver à une compréhension plus grande entre les syndicats et les patrons. Cette compagnie est en rapport avec 120 sections locales qui sont affiliées à 27 syndicats nationaux et internationaux.

Aucun agenda n'avait été préparé pour les deux jours qu'a duré le premier congrès qui a eu lieu les 20 et 21 novembre 1962. Cependant, le groupe a décidé de discuter des problèmes relatifs aux régimes de retraite, au déplacement des travailleurs provoqué par l'automation, le remplacement de machinerie, les change-

ments technologiques et les modifications du marché, et autres problèmes communs. En novembre 1964, le sous-comité s'est mis d'accord sur un système d'ancienneté transférable. D'après ce plan, un employé qui a travaillé pour la compagnie un minimum de cinq ans et qui a été renvoyé sans qu'il en soit responsable, peut transporter son droit d'ancienneté partout où il sera transféré par la compagnie. Le taux de transférabilité de l'ancienneté est d'un an transférable pour cinq ans de service, jusqu'à un maximum de cinq ans transférables. L'administration du plan est la responsabilité d'un comité mixte de délégués des syndicats et du patronat.

Railway Job Security Fund

Le pacte conclu en 1962 entre les deux plus importantes compagnies de chemin de fer et les syndicats représentant leurs employés est un autre exemple important de collaboration entre syndicats et patronat en ce qui concerne les problèmes des travailleurs déplacés. On y remarque une clause qui institue une caisse de compensation d'emploi. L'employeur accepte de contribuer un sou par employé pour chaque heure de travail. Ce fonds est destiné principalement à aider à la réadaptation des travailleurs déplacés, c'est-à-dire à couvrir les frais de transport, d'établissement et de rééducation.

The Eastern Canada News Print Group Joint Resolution on Automation

En mai 1963 les compagnies et les syndicats du Eastern Canada News Print Group passèrent une résolution concernant les problèmes d'automation dont les points principaux sont les suivants : « La nécessité de se maintenir dans une position avantageuse vis-à-vis la concurrence forcent les usines à augmenter leur productivité et à continuer leurs efforts pour contrôler leur prix de revient. Les compagnies et les syndicats réalisent que, de concert avec le gouvernement, c'est leur devoir direct et réel de réduire au minimum les effets néfastes qui peuvent découler de l'automation et des changements technologiques. Ils sont d'accord pour s'efforcer ensemble de trouver les moyens pour prévoir et réduire ces effets néfastes ». Les directeurs sont d'avis que l'adoption de cette résolution ne met pas leurs droits en péril et que le support des travailleurs facilitera une introduction rentable de changements technologiques. « D'autre part les travailleurs ont reçu au plus haut degré l'assurance de garder leur emploi, tout en conservant la possibilité d'obtenir la meilleure solution pour chaque individu. »³

Limitations

Les nouvelles avenues créées pour les négociations collectives et les nouveaux plans qui encouragent au maximum les consultations et la collaboration entre les syndicats et le patronat représentent les efforts d'un groupe encore restreint de patrons et de militants ouvriers. Il n'en est pas moins vrai que la grande majorité des patrons et des dirigeants syndicaux hésitent à adopter la doctrine derrière le plan DOMTAR ou les principes à la base des autres essais. Le petit groupe

(3) *Nova Scotia Labour Management Agreement*, un rapport présenté par le Professeur John Crispo au Conseil Economique du Canada, novembre 1963.

d'employeurs et de militants éclairés qui ont créé les nouveaux mécanismes qui revitalisent les processus de négociations collectives joueront-ils un rôle de pionnier ou non? C'est une chose difficile à prédire à l'heure actuelle; il est probable que oui.

Les raisons qui amènent les groupes rivaux à se rapprocher pour résoudre des problèmes communs varient de compagnie à compagnie, d'industrie à industrie et de province à province. Pour la Nouvelle-Ecosse, il s'agissait d'une combinaison de plusieurs facteurs locaux, qui ont finalement assuré le succès de l'expérience. Les provinces du Manitoba, de l'Alberta et de l'Île-du-Prince-Édouard ont été impressionnées par les effets du plan de la Nouvelle-Ecosse et elles sont en train d'en adapter les principes à leur situation locale. Au Nouveau Brunswick, cependant, les efforts du Ministère Provincial du Travail n'ont pas amené les résultats désirés. Une des raisons du manque de succès est probablement que les fonctionnaires du ministère ont une attitude paternaliste et qu'ils cherchent à jouer un rôle de premier plan dans la formation du groupe et la direction de ses activités. Une autre vient du fait que la plupart des grands directeurs de sociétés de la province sont opposés aux consultations en commun. Sans qu'il soit nécessaire de copier le plan de la Nouvelle-Ecosse dans tous ses détails, les principes qui l'ont inspiré devraient être étudiés de près pour voir dans quelle mesure ils sont applicables aux conditions du Nouveau-Brunswick.

CONCLUSION

On ne peut pas encore évaluer la signification entière de ces expériences nouvelles. Cependant, on peut déclarer dès maintenant que le patronat et les syndicats se rendent compte que, à moins de découvrir de nouvelles avenues vers la solution de ces problèmes, à moins d'entreprendre des démarches positives vers l'amélioration de leurs relations quotidiennes, l'institution des négociations collectives est en danger. Ces avenues et ces démarches nécessitent une compréhension plus large de la part des syndicats et des patrons et un désir plus grand d'exploiter les possibilités nouvelles des négociations collectives.

Les expériences décrites plus haut peuvent paraître bien faciles et simples. Cependant c'est grâce au travail acharné, aux désappointements, au courage et au « leadership » des militants syndicaux et des chefs de direction que ces initiatives nouvelles ont été rendues possibles. La consultation et l'étude en commun ne garantissent pas l'élimination des grèves et des conflits. Mais au cours des dernières années l'idée de recherche des faits et d'analyse objective par un comité mixte a gagné du terrain et a résulté en une série d'avantages matériels pour chaque partie et ceci avec un minimum de luttes. Ces méthodes sont donc très prometteuses et indiquent la possibilité de meilleures relations industrielles pour l'avenir.