

CANADIAN INGERSOLL-RAND COMPANY LIMITED

Office of
WORKS MANAGER

SHERBROOKE March 4th, 1941.

Attention Mr. E. Winslow-Spragge

File No. - Personal and Confidential -

To - General Manager - MONTREAL OFFICE -

Subject - Staff -



*Interested in
stability of
employees Lois W-S-*

*MS
Mar 5*

Dear Sir:

During a discussion the writer had with Service Engineer Donaldson on his return from Valleyfield this morning, I asked him whether he knew of any mechanics whom we might get hold of. He did know of one who is not entirely happy in his present location and he is going to write this man.

Donaldson also informs me that other companies seem to have scouts around picking up good men and enticing them away from their jobs. He himself was approached in an hotel lobby in Ottawa recently and offered a new job at \$1.10 an hour. On advising the man who approached him that he was working for a company engaged in war industry, he was told this could quite easily be taken care of if he would go. As far as Donaldson could find out, all he had to do was to apply to the foreman on a certain job and ask for work, and when this foreman asked what he could do, he was to say that he had been selling insurance for a while but that he wanted to get back to mechanical work which he liked. If he would follow this up, it was arranged that he be engaged as a labourer, on the understanding that a week or so after he had been taken on, he would be given a piece of work to play with so that his foreman could discover he had some mechanical ability and recommend to the works manager that he had made a discovery and that as a result of this discovery the man should be given the highest mechanical rate.

It is too bad that this sort of thing seems to be going on, and that men whom we have spent time and money training should be enticed away from us to train other greenhorns, when we really need them badly to train our own

Personal & Confidential
General Manager
Staff

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March 4th, 1941.

greenhorns. However, seeing that this situation does exist, ^{do you not} ~~we~~ think that we will have to be as smart as the other fellow and play them at their own game.

In this connection, the following five individuals left us to work for the Dominion Engineering Company in Montreal, and possibly as a result of our being too short-sighted to keep them at the time.

A. Lavoie, A. Delorme, H. Boissneault, Geo. Laroche, Rene Laroche.

Also in this connection, I am attaching hereto for your information, copy of a letter which Mr. Skelton wrote to Mr. Notman about one of the last men who left us, and also a copy of Mr. Notman's reply.

As far as I can visualize, this situation is going to get steadily worse as the new plants, now in the process of building, are completed, and I wonder if we should not formulate a definite campaign to protect ourselves. I am taking immediate steps to keep every man we have at the moment and if there is anything we can do to get men back who have already left, it looks as if we would be justified in doing something of this nature. It is reasonable to suppose that all of these men who have their homes and families in Sherbrooke would actually prefer to do their bit in their own home town.

I mentioned to you over the 'phone about the young fellow who had spent three or four months training, going back to Three Rivers if we did not give him 60¢ an hour, and although I could not find out where he was going, it was quite obvious that he had received another offer and this was an indication to me that a large number of industries ^{must} ~~will~~ certainly be hard up for good men because this particular lad was being paid twice as much as he was worth at 40¢ an hour. Mr. Beaton reported a similar case to me this afternoon of a correspondingly young fellow in the Drill Shop asking for his time if he did not get 60¢ an hour. On my instructions, he scared the lad into thinking it over on the threat of reporting the situation to Ottawa. The lad agreed to do this, but came back shortly after-

Personal & Confidential
General Manager
Staff

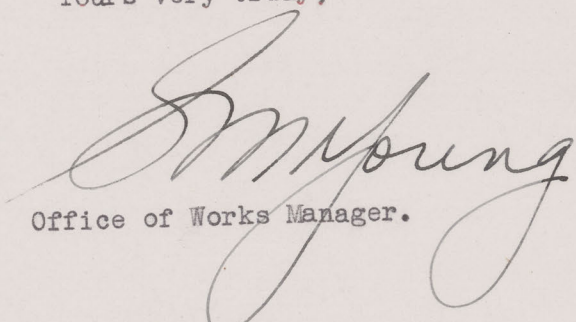
-3-

March 4th, 1941.

wards quite belligerent and made the statement that he was going to quit for a week and take a job at 60¢ an hour after this lay off of a week. It is quite obvious from the way he acted that someone had coached him, even though they had done a pretty poor job of it. In making this statement in front of witnesses, the lad had of course said enough to hang himself if we could find out who his next employer is. On the other hand, we did not have very much alternative but just let him go, because a dissatisfied and belligerent workman is worse than none at all.

I would appreciate your advice about the five fellows I have listed as being at the Dominion Engineering Works. I have names of others who have gone elsewhere, but I will not mention these to you until I know how you feel about this situation.

Yours very truly,


Office of Works Manager.

G. M. Young/MH.
Attachs:

COPY --

February 12th, 1941.

Dominion Engineering Works Ltd.,
P.O. Box 220, Montreal, Que.

Att: Mr. J.G. Notman
Manager of Manufacturing.

Dear Geoff:

It is reported to me that one of our lathe hands, Evariste Morin, who resigned February 10th, is going to take a job with your concern.

It is also reported to me that before this man left, he advised one of his fellow workers that he had accepted the job before he put in his resignation with us.

If your concern has engaged this man, I am satisfied that he misrepresented things to your employment people, but the fact remains that under the circumstances, it would be contrary to Order In Council #6286, as published in "The Canada Gazette" of November 13th, 1940.

The question of the services of this individual employee is not of vital importance to us, but the purpose of the quoted Order In Council is being defeated, consequently, if this man is in your employ, I think it would be a good idea if you told him he had to return to work for us.

We would like, if possible, to avoid the necessity of reporting any such incident to the Department of Labour at Ottawa.

If I have been misinformed, I will appreciate hearing from you, as it will save continuing this investigation.

Yours very truly,
CANADIAN INGERSOLL-RAND COMPANY LTD.,

Vice-President and Works Manager.

PHSkelton/MH.

DOMINION ENGINEERING WORKS
LIMITED

MONTREAL

FEBRUARY 21st, 1941.

Mr. P.H. Skelton,
Vice-President and Works Manager,
Canadian Ingersoll-Rand Company Limited,
SHERBROOKE, Que.

Dear Phil:

I have for acknowledgment your letter of February 12th, with reference to Mr. Evariste Morin who resigned from your plant on February 10th. A brother or brother-in-law of Morin's has been working for us for some time and on a good many occasions during the past two or three months our night foreman, George Hamel, was approached asking if it would not be possible to give Evariste Morin a job. The brother was repeatedly turned down in his request and a few weeks ago Hamel was again informed that the brother was going to camp for a month and that he had resigned from his present job. Under the circumstances, I believe you will agree that we were quite justified in giving him employment.

Order in Council No. 6286 states that "Whereas the Minister of Labour reports that it is deemed necessary to promote the orderly employment of labour and to the end that the production of munitions, war equipment and supplies may not be hampered and, without limiting the individual rights of the workers, to prevent employers endeavouring to entice to their service those who are already engaged in the production of munitions, war equipment and supplies by advertisement or other form of solicitation".

In this case and in all other cases we have been very careful not to solicit anyone and any of our advertisements for men have carried wording to the effect that applications would not be considered from persons in the employment of any firm engaged in the production of munitions.

The whole trouble with the setup is that the Government are unwilling to do anything which might affect the individual rights of workers. As far as I am concerned, they should be prevented from leaving employers doing war work. We are continually faced with the problem of our men leaving and going to the Canadian Car, Vickers or elsewhere in the district with the hope of getting more money. Employers in the district have been keeping in pretty close contact with each other and we are all keeping to the same rates for the same class of work, realizing that we cannot start a war amongst ourselves without the eventual results of considerably increased labour rates.

We, as you know, have been working six 12-hour days a week, paying overtime over 9 hours a day and 5 hours on Saturday, with the result that the men's pay envelopes are fairly healthy at the end of any week. This information ~~is getting~~ gets around the country and as I believe I mentioned to you over the 'phone a few months ago, the only thing I can see that would prevent your men from leaving would be to pay the same rates and give them the same number of hours of work.

Mr. P. H. Skelton, -2-
Canadian Ingersoll-Rand Company Ltd.

February 21st, 1941

We are not soliciting any of your men but we are being repeatedly told by any who have approached us for a job that they are finished as far as Sherbrooke is concerned and that if we do not give them a job, they will go somewhere else. You mentioned to me over the 'phone one day that you would rather they worked for us then have them go to Toronto or somewhere else out of the district.

There is a certain amount of moving around going on in this district and as mentioned above, the only way to stop it would be for the Government to order the men to stay in their jobs. As you I think know, we are setting up a new plant at Longueuil and during the past few weeks, three or four men have asked for their release from our Company and two or three days later they have turned up at Longueuil asking for a job. We are paying the same rates at Longueuil as we are at Lachine and the men who are leaving our Lachine plant and looking for work in Longueuil are men who live closer to the Longueuil plant. In other words, the men are looking for the maximum amount of money per week with the minimum of personal effort.

Another phase of the problem which is worrying us in the Montreal district is the fact that boys who we have trained and who have become fairly proficient leave us and apply for a job in one or other of the plants around Montreal as a full-fledged operator. In a good many cases, depending on the aptitude of the boy, he can get away with it. We have lost quite a few of our good boys and in turn have quite a few of the boys from other plants around Montreal.

Yours sincerely,

sd/J.G. Notman.

Manager of Manufacturing.

JGN:LT

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P

Y

*good letter
re employment*

March 5th, 1941.

Mr. G. M. Young,

Personal and Confidential.

Office of Works Manager, Sherbrooke.

Staff.

Dear Sir:-

I have your letter of March 4th with copy of Mr. Notman's letter of February 12th. Theoretically the right thing for a citizen to do is to be terribly put out about any infringement of the country's laws. I am afraid it would be a waste of time for us to complain to any department now in Ottawa about the wickedness of our manufacturing associates who are stealing men and thereby breaking or evading laws. We have a Minister of Labour who is more interested in the rights of labor than he is in winning the war and if you get talking with him enough, he will try to improve the situation by something constructive like trying to help organize a union or trying to get us to pay 80 cents an hour instead of 50 cents an hour.

Instead of leaning on such a useless reed, I believe we will have to accept conditions as they are and make the best of it. Being decent to our men, giving them pleasant working conditions and the expectation of continuous employment at rates above the average in the community but of necessity below the crazy averages which will develop in Montreal and other large centers under the wholly unrealistic fraternalism of Mr. King and Mr. McLarty.

My advice to you is to pay your foremen and your charge hands their regular rate being the rate which you privately expect to pay them after the war plus about two bonuses - one in the nature of a cost of living allowance and the other in the nature of a production bonus. I frankly do not know how to set a production bonus, possibly the crazier it is the better. It might be based

of a percentage of the piece work earnings of their men. It might be based on the bonus earnings of their men. It might be based on the cu.ft. capacity of compressors shipped per month or gallon capacity of pumps shipped per month. Whatever it is - it should tie the foremen and charge hands to the management in a bond of mutual interest. After you have got your good staff of foremen and charge hands, I fancy you must leave it pretty much to their judgment as to what rate, under the circumstances, will enable them to hold sufficient of the staff to get out the work. It is inevitable that our shop should become a training ground for other shops. It is inevitable that our foremen must absorb a lion's share of green help. Fortunately this green help is still available and we have still the ability to apply this help to our requirements.

While on this subject, I do not think you should overlook the employment of women. The ice should be broken and this should be started in a small way at some suitable points - First, possibly in shop offices, then on simple machining operations like grinding jackbits. We have all got to enlarge the available supply of machine shop labor.

So try to keep everyone as happy as you can, advancing the position of present day employees wherever possible and trying to avoid letting any person - presently employed by us - suffer from the conditions brought about by taking on extra help.

Unless you ask me, therefore, I will - for the present - not attempt to retain staff by government aid.

Yours very truly,

W
(E Winslow Sprague)
General Manager.

EW-S/EC

SHERBROOKE PNEUMATIC TOOL CO.,
LIMITED

620 CATHCART STREET
P. O. BOX 40

EXECUTIVE OFFICE

MONTREAL, QUE.
CANADA



March 5, 1941.

Mr. D. C. Keefe,
President,
Ingersoll-Rand Company,
11 Broadway,
New York, New York.

Dear Dan:

Have you got anyone returning from England to United States in the relatively near future?

I would like to get onr or two sample 5.5 Howitzer shells. These shells are inspected by the Government. A limited number of these inspected shells are fired for proof and recovered in undamaged condition.

Such a sample, we believe, would materially assist us in commencing manufacture. We used this procedure, by obtaining from the Inspection Department, samples of 6" Shells which were fired in Canada, but I find that no 5.5 samples are available here, and hence my question to you.

If I ask this question in Canada I suspect that our old friedn "red tape" would put unnecessary obstacles in our way, but I feel sure if I were in England myself that I could get, through fully authorized and correct channels, a sample which we need. I would not, however, like to handle such a matter by cable or by mail without making quite sure that we were not infringing any regulations. Hence my question to you as to whether the matter can be handled in a proper manner by word of mouth.

Yours very truly,

SHERBROOKE PNEUMATIC TOOL CO., LIMITED.

E. Wimsel-Spazge

General Manager

EW-S/MJH

To
E. Wimsel-Spazge
Montreal
ym

no /
sent
SK

Canadian Manufacturers' Association

(Incorporated)

Toronto, March 6th, 1941.

SURVEY AND CO-ORDINATION OF CANADIAN INDUSTRIAL PRODUCTION FOR WAR PURPOSES

Dear Sir:

The Canadian Manufacturers' Association and the Canadian Chamber of Commerce, with the approval of the Minister of Munitions and Supply and the co-operation of the officials of the Department, have undertaken a survey of industrial resources in Canada:

- (1) to ascertain the industrial capacity in Canada which can be utilized for war production, and
- (2) to organize Canada into industrial zones and to appoint a Chairman and Committee who will work with the Department in each industrial zone in making the best possible use of local manufacturing capacity, management, material and labour for war purposes.

In a letter to the Presidents of the two organizations, Hon. C. D. Howe, Minister of Munitions and Supply, says:

"I am advised that the Canadian Manufacturers' Association and the Canadian Chamber of Commerce are undertaking a survey of industrial facilities of Canada in co-operation with the officials of this Department. Your assistance in this most important undertaking is very much appreciated. The survey will enable this Department to mobilize to the full all available industrial resources. I trust that you will receive the co-operation and assistance of all industry, large and small, in the collection of data necessary for such a survey."

Representatives of both organizations conferred recently with Mr. H. J. Carmichael, Joint Director-General, Munitions Production Branch, Department of Munitions and Supply, and other heads of the Department, in Ottawa. A joint Committee, with joint Chairmen representing both organizations, has been established.

Manufacturers are earnestly requested to complete and return three copies of the enclosed questionnaire not later than March 22nd to the Canadian Manufacturers' Association, 1404 Montreal Trust Building, 67 Yonge Street, Toronto 2, Ontario. One of these copies will be forwarded immediately to the Department of Munitions and Supply, Ottawa, a second copy will be sent to the Chairman of your local industrial zone as soon as it is organized and the third copy will be retained by the Association. This questionnaire is largely identical with a similar questionnaire which has been sent to manufacturers in the United States by the National Association of Manufacturers of the United States and the National Industrial Council in co-operation with Mr. Wm. S. Knudsen, Director General of the Office of Production Management.

While you may have answered previous inquiries and forwarded considerable information to different Departments of the Government during the past two years, the present object is to bring this information up-to-date and to obtain new and more comprehensive information which will assist the Government in co-ordinating its efforts in preparing for the greatly expanded industrial production required by the war. Consequently, the information asked for in this questionnaire is considered to be of vital importance now and in the immediate future.

March 12th, 1941.

The Honourable Vincent Massey,
High Commissioner for Canada,
Canada House,
London, England.

Dear Mr. Massey:-

Ever since the memorable meeting of the Canadian Manufacturers Mission at your office in Canada House on August 4th, 1939, and the subsequent time in England during which we were showered with so much kindness and courtesy, our thoughts have always turned anxiously towards every plan or activity calculated to assist the Canadian and American public to realize the urgency of the situation. Some of us think that in the attempt to act with judgment and circumspection that we are going too far in this direction and that there appears to be almost a calculated absence of all glamour and enthusiasm to a point where it not only made it hard for the army leaders but it has also made it hard for the industrial leaders.

It is possible, though I do not believe it personally, that this excessive drabness and coldly calculated planning may command the support of a considerable proportion of older men but I am rather closely in touch with my children's friends in the three fighting forces and with the enterprising younger element who are best adapted to factory production efforts and I know they are all feeling most strongly the depressing dullness of this older man's war.

I was, therefore, heartened beyond measure to receive from Painted Post, N.Y. the enclosed programme of an entertainment got up to aid the local branch of the British War Relief Society in their project to raise funds for a Mobile Kitchen to be sent to the relief of the distressed in Great Britain. On turning the cover, as I hope you will do, I was amazed and deeply pleased to see the Union Jack along with the closing words of Mr. Churchill's recent stirring speech.

Even during the Great War, it would have been a bold producer who would hazard the exclusive featuring of any other flag but the Stars and Stripes on an American programme and it augurs well for the enormous changes of sentiment towards Great Britain which has been taking place during the past 25 years but particularly during the last six months.

Page two

When I saw this Union Jack and the accompanying words, I thought of you and of my many other friends in England and I am forwarding it on the chance that even in the midst of your very busy existence you may find time to glance at it and receive from it a message of good cheer.

Please give my kindest wishes to Mrs. Massey to whose Father and Mother during my five happy years at Upper Canada College I owed, and still owe, so very much.

Yours sincerely,

W

EW-S/EC

C2-Holt Gurney
C2-JTStirrett

March 12th, 1941.

Mr. E. Holt Gurney,
President,
Electric Steels Limited,
Cap de la Madeleine,
Three Rivers, Que.

Dear Holt:-

I am attaching copies of letters to Vincent Massey and to Stirrett which will be self explanatory.

Although you have no doubt had your share of difficulties in starting up your bomb lathe contract, I doubt if you have been exposed to quite the usual amount of inaptitude which, I am afraid, is in many directions clogging our various manufacturing programmes.

If, in general, our committee found that gauges and specifications and inspection and the letting of contracts and the payment of accounts are being handled in a reasonably promising manner, then it would aid greatly to let such findings be known in the best and most convincing way. I sat last night at dinner with a young military captain whose depression at his conception of the inefficiency of providing supplies impressed me greatly. I am also impressed by the apparent sincerity of many of the newspapers who seem to think that things are being done badly. If we could satisfy ourselves that these impressions are exaggerated, I think it would be worth while. On the other hand if we find instances where efforts are unnecessarily impeded by mistakes which a practical man could identify and put right, I think an effort in that direction would be very useful.

My feeling is that in all positions of authority there is a preponderance of people of our own age, and older, capable in peace-time of riding along with reasonable effectiveness of the backs of a lot of juniors schooled to continue indefinitely in a normal routine and at a normal production rate.

My feeling is that these same old men, even though their intentions are good and even though they see no other method of procedure, are actually incapable and vested with too much and too exclusive an authority to guide. I feel they are actually impeding matters by failing to release the energies and enterprises of your assistants and the many thousands of younger people who only need the opportunity in order to break deadlocks resulting from exaggerated attention to seniority and tradition.

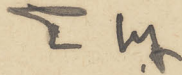
Page two

One Sir Joseph Flavelle with one hundred 30-year olds to do the work can accomplish more than one hundred old men with one hundred well meaning helpers and assistants of their own age and outlook.

I have tried the experiment of changing to young green help in our shell shop and the results were startlingly good. I am starting to duplicate the experiment in the much more dangerous field of our main plant. If these experiments both turn out well, I am going to see if there are not some other places much more important to our national life where the same kind of situation exists and the same kind of correction could be applied.

When you get a chance I would like to know whether you think any of our mechanical engineering companies should try and put our heads together on these or any other problems of national interest and I would like to know whether any of the ideas I have expressed seem equally important to you.

Yours very truly,



General Manager.

EW-S/EC

COPY TO 
FROM
CANADIAN INGERSOLL-RAND CO.
LIMITED
MONTREAL, QUE.

March 12th, 1941.

Mr. E. Holt Gurney,
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Cap de la Madeleine,
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Yours very truly,

EW-S/EC

General Manager.

March 12th, 1941.

Mr. J. T. Stirrett,
General Manager,
Canadian Manufacturers' Association,
67 Yonge Street,
1404 Montreal Trust Building,
Toronto 2, Ontario.

Dear Mr. Stirrett:-

I have taken the liberty of writing The Honourable Vincent Massey in London in accordance with copy of letter attached. I am also sending a copy to Mr. Holt Gurney at Three Rivers.

I am doing this because I sense the need of our getting together again in an effort to exchange ideas and see if we cannot put our finger more intimately on the details which, I believe even more than general matters, are in need of our practical help and guidance.

I, personally, found it necessary to almost completely withdraw from circulation and became so preoccupied doing my own individual job that if I am wanted I have got to start all over again and the first question which occurs to me is to ask you - Is the Committee on National Defense still in existence and am I still a member of it ?

The next question that I should like to ask you is - Do you or any of the other members feel as I do that the time is ripe for another get-together ?

Yours very truly,

General Manager.

EW-S/EC

C2:Mr.Holt Gurney.



1404 Montreal Trust Bldg.,
67 Yonge Street,
Toronto 2, Ontario,
March 14, 1941.

E. Winslow-Spragge, Esq.,
General Manager,
Canadian Ingersoll-Rand Co. Limited,
New Birks Building,
Phillips Square,
Montreal, Quebec.

*W Committee of National Defence
Still in operation*

Dear Mr. Winslow-Spragge:-

I have your letter of March 12th.

Yes, the Committee on National Defence is still functioning and you are still a member of it. The members of the Committee, I may say, are all immersed in war work. You are familiar, no doubt, with the great programme which the Chairman, Mr. W. D. Black, has on hand. You also know what Mr. Holt Gurney is doing. Mr. H. G. Bertram has also extensive operations under way. Mr. J. McDonald is active in the war supplies programme in Western Canada. Col. Letson, now Brigadier Letson, as you know, has recently been appointed Military Attache for Canada at Washington and is Assistant to our new Minister, Mr. Leighton McCarthy. I also hear from time to time from Col. MacKay of Charlotte-

town. Mr. Black, Chairman of the Committee, is also a member of the Executive Committee and reports regularly on problems in regard to national defence. As you know, the Committee on National Defence was one of those small committees which held very few meetings but accomplished a great deal of work.

The latest thing under way is the survey and co-ordination of Canadian industrial production for war purposes. I think you will be interested in the enclosed memorandum of a meeting held in Ottawa on February 17th. You will notice that Mr. W. D. Black, Chairman of the Committee on National Defence, was present. I am enclosing a copy of the questionnaire and covering letter. One of these was sent to your firm in the regular way but these are included for your own file.

I have not had any suggestions from the Chairman or any of the members for formal meetings, perhaps because they are dispersed all over Canada and their intense activity in war production. I would like to make this suggestion. The approaching meeting of the Executive Council in Toronto in April would provide an excellent opportunity for the members of the Committee, who are also members of the Council, to come together if they are able to do so.

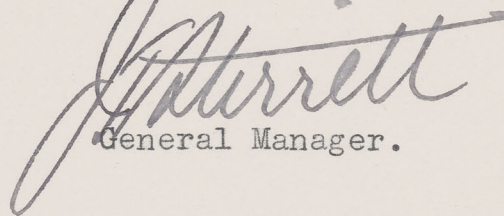
I am very glad to hear from you. I know how much you are doing and how little time you have for anything outside of your war work. I sent you a specially marked copy of the January number of Industrial Canada dealing with war production and referring also to the work of our Mission in England.

E. Winslow-Spragge, Esq.,

Toronto, March 14, 1941.

I was very much interested in reading the copy of your letter to Mr. Massey and I am obliged to you for sending it to me.

Yours faithfully,


General Manager.

JTS/FM.

ELECTRIC STEELS LTD.

EXECUTIVE OFFICES AND PLANT

CAP DE LA MADELEINE, QUE., CANADA



March 17th, 1941.

Mr. E. Winslow-Spragge,
Canadian Ingersoll-Rand Co. Limited,
New Birks Building,
Phillips Square,
Montreal, Que.

My dear Ed:

I have read your letter of March 12th, with very lively interest, and also copies of the letters attached which you sent to Messrs. Sterritt and Vincent Massey.

I believe that the whole subject matter of your letter fully justifies careful consideration at the hands of that Defence Committee of the C.M.A. if it is still alive. I would, of course, endeavor to attend such a meeting, though I was caught by one expression in your own letter which referred to the fact that you have recently been completely withdrawn from circulation. I know you are partly back, but I am still out and so heavily occupied that I must be careful to keep myself free for this very absorbing job down here.

There are some aspects which you write about that I would like to talk over with you rather than comment on in a letter. I shall probably be in Montreal Thursday or Friday of this week for the day, and I am going to let you know my exact plans when I know them myself, in the hope that we can get together while I am up.

With kindest regards,

Yours faithfully,

EHG:BT

File

THE FINANCIAL POST

OFFICE OF THE EDITOR

210 Dundas Street, West,
Toronto, Ontario
March 19th, 1941



*Discussion on how to
the handling of munitions
Some amount of food
parts,*

Mr. E. Winslow-Spragge,
First Vice-President,
Canadian Ingersoll-Rand
Company Limited,
620 Cathcart Street,
MONTREAL,
Quebec.

Dear Mr. Winslow-Spragge :

This brief note is just to tell you how much I appreciated your cordial reception of Mr. Chipman and myself last Saturday morning and to say that I got a great deal of benefit and exhilaration out of our chat.

The bothersome routine and red tape which you outlined seems to me to result from the system of attempting to get war supply done by the traditional methods of political (in the best sense of the word) administration and bureaucracy. Personally, I do not think it is necessary to accept this as inescapable. You yourself referred to the method of setting up crown companies that could do a job without the constant detailed observance of certain civil service formulae. You felt the idea might be extended. I fully agree. But even if it were so extended, wouldn't there still be the possibility that one crown company might be competing with another crown company for the same labor, the same raw materials and for the same money? There would still be need for full co-ordination of their activities. Our feeling is that this co-ordination can best be exercised by centralizing responsibility in one man free from political duties and, therefore, in a position to carry out in the larger sphere of directing war supply the same principles of simple business-like result-getting that the crown companies are able to use.

PAGE TWO

Why can't we apply to war supply the same principles that you are applying in your own business? You have given your men their "head" and told them you are interested only in results. But to avoid confusion they all report to you and you are the medium through which authority is first centralized and then diffused. There may be three factory managers at Sherbrooke, but I doubt very much if you attempt to have three "Winslow-Spragge's".

By the way, did you see that item in the New Yorker two or three weeks ago? Someone was trying to get an urgent answer to a very important letter out of the War Department at Washington. After trying without success for two or three weeks he went to Washington and got in touch with one of the higher-ups. The higher-up was very apologetic and explained "You will appreciate, of course, that because of the emergency it takes longer to get things done".

To Mr. Chipman and me the interview was most useful and on behalf of both of us I want to thank you.

Faithfully yours,
THE FINANCIAL POST

Floyd S. Chalmers
Editor

FLOYD S. CHALMERS:
em

Montreal Division

Inspection

March 31st, 1941.

Mr. G. M. Young,

Inspection.

Office of Works Manager, Sherbrooke.

Dear Sir:-

I have your letter of March 29th. Robertson knows just what is wanted just as well as you do. Nothing is to leave our plant which has not been given whatever attention is necessary by the inspection department so that they can properly certify that it is correct.

What Robertson is probably leading up to is that it will cause delay to use his department for the handling of miscellaneous orders.

It is up to Robertson, however, to so organize that the work will be done with such a procedure arranged that the Inspection Department will not be a drag on our operations.

I want you to be alert and to report to me any obstructionism or lack of reasonable flexibility and co-operation on the part of the Inspection Department. Do not let them have any complaint that they did not know I was contemplating being severe in my attitude. I have felt for some time that the Inspection Department is due for what may be to them a re-awakening.

Yours very truly,

W
General Manager.

EW-S/EC

CANADIAN INGERSOLL-RAND COMPANY LIMITED



Office of
WORKS MANAGER

SHERBROOKE March 31st, 1941.

Attention Mr. E. Winslow-Spragge.

Drill Record

File No. - Montreal Personal -

To - General Manager - MONTREAL OFFICE -

Subject - Drill Business Report

Recd for all time in WS apr 4

Dear Sir:

For my own personal information, I have been checking up on our Drill production to-day and its comparison with previous years. I have had a spare report made up and I am sending this to you, as I believe you will find it interesting. You will notice that between February 22nd, and March 22nd, we have built 396 units, sold 332 units and shipped 398 units, and that this is a record for all time.

In this monthly period, ending March 22nd, there is one week (the last in February), during which we built 38 units, sold 105 units and shipped 92 units. Our record for the period March 1st, to March 31st, will be better still, because during the week ending March 8th, we built 122 units, during the week ending March 15th, we built 132 units, and during the week ending March 22nd, we built 104 units. As far as I can find out at the moment of writing, we will do better than 132 units for the week ending March 29th. In fact, I think you will find that we will practically clean up the outstanding unfilled order list on this part of our product, during March.

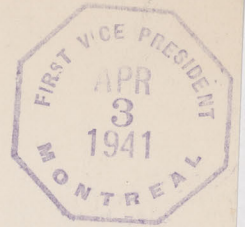
Yours very truly,

G. M. Young

Office of Works Manager.

G. M. Young/MH.
Attach;

Remained
F. P. L. LANE
3810 ST. ANTOINE STREET
MONTREAL



April 2, 1941

E. Winslow-Spragge, Esq.,
c/o Canadian Ingersoll-Rand Co.Ltd.,
New Birks Building,
Phillips Square,
Montreal.

Dear Mr. Winslow-Spragge:

Re: War Production

Further to our telephone conversation on Friday last when you suggested that we might convene a meeting of manufacturers in this district who are experiencing difficulties with war contracts, you will recall my stating that the question might be Dominion-wide and not necessarily localized in this Province and that the suggestion might be submitted to Mr. Stirrett for his views. Consequently, when writing to Mr. Stirrett on 28th March I dealt with the above question as follows:

"During the course of our conversation we touched on the point of the many difficulties in getting work underway, particularly delays in Ottawa, not necessarily with the heads of departments but down the line. It was Mr. Winslow-Spragge's idea that we might have a small meeting in Montreal of those experienced in war work, with a view to airing such causes of delay and finding some solutions which could be submitted to the responsible authorities at Ottawa. I suggested to Mr. Winslow-Spragge that the difficulties are not necessarily restricted to the Province of Quebec; they must be Dominion-wide - to which he agreed. On the other hand, he did feel that, rather than have a number of individuals from various provinces submit proposed remedies, many of which may conflict with one another, it might be better first to try a small group from the Province of Quebec, such as he suggested. In any event, I informed him that I would pass this proposal on to you for your views, which I should be glad to have at your convenience."

Mr. Stirrett replied under date of 31st March as follows:

"In regard to Mr. Winslow-Spragge's suggestions, I agree with you that most difficulties in connection with getting contracts, getting instructions in regard to carrying out contracts, labour problems,

E. Winslow-Spragge, Esq.

April 2, 1941

"problems connected with materials, priority questions, getting paid for goods, excess profits tax and other taxes, are Dominion-wide in their application.

As you know, for the last year and a half the Association has been making representations in regard to such matters. This, of course, will continue. As old problems are settled, new problems will arise so long as the war lasts.

Mr. Winslow-Spragge may have some problems in mind which particularly affect Quebec. If so, I think it might be helpful for a small group to study such problems and recommend whatever action they thought proper. They might, in their provincial study, develop certain facts which later could be studied with groups in other Provinces to common advantage."

I telephoned your office this morning and found that you were not in and, as it was not quite clear when you would be available, I thought it best to forward the above for your consideration. I shall be glad to have your further advice at your convenience.

With kind regards,

Yours sincerely,

J. S. Lane

Chairman, Quebec Division
Canadian Manufacturers' Association

*Mr Lane must have
spoken to you
switchboard operator
(not to me) J.S.L.*

M.

Canadian Manufacturers' Association

(Incorporated)

Circular No. 1024

Toronto, April 25th, 1941.

LIST OF ENEMY TRADERS

Revision No. 9 and Revision No. 10

Quantities of Enemy Traders in all Countries



Dear Sir:

In Association Circulars 914, 921, 924, 936, 953, 963, 973 and 982 there were published lists of persons and firms resident or carrying on business in neutral countries with whom trading is prohibited by reason of their enemy nationality or enemy associations.

Further Proclamations dated Ottawa, March 24th (Revision No. 9), and April 10th (Revision No. 10), have been issued containing additional lists of firms in neutral countries with whom trading is prohibited. The Proclamations also list the names of firms which have been deleted from the list of enemy traders as well as corrections to previous lists.

The lists of additions, deletions and corrections, as set forth in the Proclamations are as follows:

REVISION NO. 9—PART I.—ADDITIONS

Afghanistan

Undutsch, Kabul.
Ungaro, Kabul.

Argentina

Brunner, F., Ave. de Mayo 1035, Buenos Aires.
Cayani, Hugo Paoletti, Bartolome Mitre 311, Buenos Aires.
Coutinho, Caro y Cia, Calle San Martin, 232, Buenos Aires.
Fiat Argentina S.A., Goday Cruz 3054, Buenos Aires.
Fleischner, Erwin, 25 de Mayo y Sarmiento, P.O. Box 1062, Buenos Aires.
Geisenhof, Arturo, Lavalle 1530, Buenos Aires.
Gonzales, R. H., & Co., Cangallo 439, Buenos Aires.
Hardt & Cia, Engelbert, Corrientes 378, Buenos Aires.
Kellerhoff, Carlos, Santa fe 1364, Rosario.
Kettelhorn Hermanos, Bartolome Mitre 311, Buenos Aires.
Laboratorio Quimico Biologico S.A., Monroe 1378, Buenos Aires.
Metzinger & Schinkel, Alsina 1367, Buenos Aires.
Nagrassus, F. A., Lavalle 428, Buenos Aires.
Pawlowski, Juan, Bartolome Mitre 1265, Buenos Aires.
Ramondene, Eduardo (Hijo), Moreno 1441, Buenos Aires.
Simonius, Vischer, & Co., Ltda., Buenos Aires.
Strohschnitter y Cia, Cangallo 315, Buenos Aires.
Witte, Max, Ave. la Plata 31, Buenos Aires.
Zbrojovka Ceskeslovenska S.A., 25 de Mayo 11, Buenos Aires.

Bolivia

Harjes, H., Calle Colon 168, Casilla 526, La Paz.

Brazil

Alnorma Soc. Machinas Ltda., Rua Sao Pedro 89, Rio de Janeiro.
Auto Distribuidora Ltda., Soc (Automoveis Mercedes Benz & Opel), Rua Sen Euzebio 180-182, Rio de Janeiro and at Sao Paulo.
Becker, Ernst, Rua do Ouvidor 169, Rio de Janeiro.
Biermann & Co., Sao Caetano, nr. Sao Paulo.
Biermann, Nicolau, 3 de Dezembro 17, Caixa Postal 1831, Sao Paulo.
Borstelmann & Cia, Rua do Bom Jesus 230, Recife, Pernambuco, and Rua Sa e Albuquerque 90, Jaragua, Maceio.
Buckup, P., & Cia, (Casa Trommel), Ave. Celso Garcia 409, Caixa Postal 2903, Sao Paulo.
Comissaria Italo-Brasileira Ltda., Rua Libero Badaro 346, Caixa Postal 2485, Sao Paulo.

Empreza Constructora Gruen & Bilfinger Ltda., Almojarife 7A, Corrientes, Sao Paulo and at Porto Alegre.
"Enit", Ente Nazionale Industrie Turistiche, Ave. Rio Branco 104, Rio de Janeiro.
Fabrica Nacional de Tambores Ltda., Rua Clelia 93, Sao Paulo and at Rio de Janeiro.
Fatio, Jacques, Rua Libero Badaro 346, Caixa Postal 2485, Sao Paulo, and Rua Miguel Couto 111, Rio de Janeiro.
Fatio, Jacques M., Rua Libero Badaro 346, Caixa Postal 2485, Sao Paulo.
Fatio, Norberto, Rua Sao Bento 290, Caixa Postal 3635, Sao Paulo.
Funtymod Fundicao de Typos Modernos Ltda., Rua Ribeiro de Lima 282, Sao Paulo.
Gottman, Carlos J., & Cia, Rua Jose Adolpho 2A, Caixa Postal 2376, Sao Paulo.
Graphicor Concentra Hartmann Irmaos S.A., Praca do Sao Christovao 249, Rio de Janeiro.
Kaucher, Walter, Santa Maria de Itabira.
Krebs, W. Fonseca & Cia. Ltda., Rua da Alfandega 189, Rio de Janeiro.
Lange, H., & Cia. Ltda., Rua Mexico 90, Rio de Janeiro.
Lohmann & Cia, Rua Miguel Couto 51, Caixa Postal 947, Rio de Janeiro.
Machinas Para Escriptorio Mercedes do Brasil Ltda., Rua de Quitanda 65, Rio de Janeiro, and at Sao Paulo.
Margutti, Stefano, Rua da Quitanda 96, Sao Paulo.
Melching, O. A. H., Rua Sao Bento 405, Caixa Postal 2505, Sao Paulo.
Pfaff, Casa, Rua da Carioca 46, Rio de Janeiro.
Pinto, Alves y Cia, Rua Barao do Triumpho 27, Pernambuco.
Raimann & Cia, Rua Florencio de Abreu 123, Sao Paulo, and all branches in Brazil.
Rodenburg, Herbert, Bahia.
Schreurs, H., & Cia. Ltda., Rua Voluntarios de Patria 140, Porto Alegre.
Sekkel, Jacques, Ave. Calogeras 6, Apartado 118, Rio de Janeiro.
Silva, Amado Amandio, Rua Conselheiro Saraiva 41, Rio de Janeiro.
Steinbach & Cia, Miguel Calmon 36, Bahia.
Tintas Victoria Ltda., Rua Conde Leopoldina 644, Rio de Janeiro, and Duque Caxias 555, Sao Paulo.
Usina Siderurgica e Laminadors N.S. Aparicida S.A. "Sidapar," Sao Paulo.
Van Mastwyk, B., & Cia. Ltda., Ave. Rodrigues Alves 145, Rio de Janeiro.
"Waco" Ltda., Soc. Commercial, Caixa Postal 2331, Sao Paulo.
Ziemer & Cia., Rua General Camara 78, Rio de Janeiro, and at Theophilo Ottoni (Minas Geraes).
Ziemer, Otto, Rua H. Barros 197, Rio de Janeiro.

Chile

Curtex Ltda., Augustinas 1215, Santiago.
Engel y Cia., Santo Domingo 808, Casilla 1481, Santiago.
Establecimientos Pelikan Soc., Ltda., Rosas 1490, Santiago.
Feldrape, E., Hotel Cosmos, Megallanes.
Koreska, W., y Cia., Monjitas 531, Casilla 13, Santiago.
Luders y Cia. Ltda., Santo Domingo 1223, Santiago.
Montt, A., Augustinas 1070, Santiago.
Moreno, Armando, Casilla 4232, Santiago.
Muller, Herbert J. E. & Cia. Ltda., Huerfanos 972, Casilla 3757, Santiago.
Renz, German, Oficina Blanco 1205, Casilla 1097, Valparaiso.
Reutter, Juan, Catedral 1361, Casilla 1130, Santiago.
Riegel & Cia., Ave. Brasil 1373, Casilla 77V, Valparaiso.
Schuch, Rodolfo, General Boonen Rivera 1995, Santiago.
Smid, Gerhard, Santo Domingo 1231, Casilla 2181, Santiago.
Steudel, Rolando, Magallanes.
Utgennant, Robert, Casilla 4232, Santiago.
Zimmer, A., Cia., Bandera 172, and Augustinas 1126, Santiago.

China

Chinex, 110, Szechuen Road, Shanghai.
Dah Sing Chemical Supply Co., Lane 183, 34, Taku Road, Shanghai.
Ehlers, A., & Co., 264 Kiangse Road, P.O. Box 426, Shanghai.
Eiwa Yoko (Yung Wo), 86, Canton Road, Shanghai, and all branches in China.
Fischer, Kurt, & Co., 133, Yuen Ming Yuen Road, Shanghai.
Gurski, Kurt, & Co., 2, Peking Road, Shanghai.
Hun Kee Photo and Cinema Supplies, 16, Rue Montauban, Shanghai.
International Straw Goods Co., 27, Consular Road, Tientsin, and at Tsingtao.
Kaan & Co., 20, Okitsugai, Japanese Concession, Tientsin.
Lanz, H., & Co., 3, Customs Road, Chefoo.
Magnani, A., 307, Broadway Mansions, Shanghai.
Melchers Inc., 210, Kiukiang Road, Shanghai.
Nee Yuen Hong, 214, Rue du Consulat, Shanghai.
Pattison, A. P., & Co., 356, Peking Road, Shanghai.
Petersen, Heinrich, 2, Peking Road, Shanghai.
Prodan, N., & Co., 27, Consular Road, Tientsin, and at Tsingtao.
Reiber, F., 320, Szechuen Road, and 1010, Point Road, Shanghai.
Schuster, Ernst, 242, Hamilton House, Shanghai.
Shanghai Mercantile Co., 233, Nanking Road, P.O. Box 642, Shanghai.
Shantung Traders Co., Ltd., 3, Customs Road, Chefoo.
Standard Produce Export Co., 27, Consular Road, Tientsin, and at Tsingtao.
Tan Jan Ching (Tan Yun Ching), 452, Kiangse Road, Shanghai.
Tong, W. S., & Son, 4, Central Arcade, Shanghai.
Towa & Co., Tsingtao and Tsinan.
Unkel, H. J., 775, Changping Road, Shanghai.
Weiss, Franz, 2, Peking Road, Shanghai.

Colombia

Agfa-Foto, Almacen, Carrera 49, Medellin.
Albingia, V. A. G., Carrera 8A, 15-45, Bogota.
Arnhold, K. E., Apartado Aereo 3842, Bogota.
Assicurazioni Generali, Bogota.
Balg, W., Apartado 802, Barranquilla.
Banco Aleman Antioqueno, Bogota, and all branches in Colombia.
Borne, A., & Cia., P.O. Box 145, and at Armenia (Caldas).
Breuer Moller & Company, Sucrs. All branches in Colombia.

Gerding Hermanos, Calle 13, 7-44, Cali.
Goerbert, R., Apartado 3940, Bogota.
Hosie, Stuart, Carrera 6A, 14-50 and 14-60, P.O. Box 418, Bogota.
"Induquimica"—Union Nacional de Quimica Industrial, Bogota.
Lindner, Foto Alcamen, Calle 13, 7-66, Bogota.
Lloyd Colombiano, Buenaventura.
Mangels, Otto & Cia., Comercio y Cuartel, Apartado 360, Barranquilla.
Pfaff Ltda., Maquinas de Coser, Bogota.
Stapff, A., y Cia., Calle 12, 424, Cali and at Medellin.
Stober, Adolfo, Calle 51-52, Medellin.
Timm, H., Carrera 9, 12-49, Bogota.
Union Nacional de Quimica Industrial "Induquimica," Bogota.
Wolf, Herbert, Carrera 49, Medellin.

Cuba

Barletta, Amadeo, Havana.
Cinematografica Corpn. San Rafael S.A., San Rafael 4, Havana.
Fritzsche, Otto W., Rep. del Brasil 211, Havana.

Dominican Republic

Barletta Company, Antonio, Padre Pillini 4, Ciudad Trujillo.
Bayer Co., Inc., Ciudad Trujillo.

Ecuador

Merchan & Co., Apartado 37, Cuenca.

Greece

"Schering." S.A. Hellenique de Produits Pharmaceutiques, Zinonon St. 16, Athens.

Guatemala

Biener & Cia., 6A, Ave. sur 3, Apartado 256, Guatemala City.
Incatecu S.A., Cia Guatemalteca, Guatemala City.
Laeisz & Cia. (Sucrs. Conrado Francke & Co.), Quezaltenango and Retalhuleu.

Honduras

Rischbieth, Werner & Cia., P.O. Box 5, Tegucigalpa.

Iraq

De Kelaita, R. M., P.O. Box 78, Shorja 158, Bagdad.
Societe Anonyme Egyptienne de Chaussures Bata, Alexandrie Dept., Iraq, Bagdad.

Japan

Buchhandlung Gustav Fock G. m.b/H. Vertretung, Tokyo, Shiseido Bldg., CinzaNishi 7-chome, Kyobashi-ku, Tokyo.
Caudrelier, L., & Co., 62, Yamashita-cho, Naka-ku, P.O. Box 206, Kobe and P.O. Box 124, Yokohama.
Coutinho, Caro & Co., Japan Agency, 651, Osaka Bldg., 1 Soze-cho, Kita-ku, Osaka and at Kobe.
Demag A. G.—Duisburg & Hydraulik G.m.b.H., Duisburg, 612 A and B, Yusen Bldg., Marunouchi, Kojimachiku, Tokyo.
Hokuren (The Federation of Co-operative Soc. of Hokkaido), 1, Nishi 1-chome, Kita-yojo, P.O. Box 32, Sapporo, and all branches in Japan.
Irisu Shekai, K.K., Teikoku Semei Bldg., Marunouchi, Tokyo, and all branches in Japan.
Kasai Mercantile Co., Ltd., 216, Sannomiya 2-chome, Kobe.
Kramer, Dr. C., & Co., 324, Yaesu Bldg., 6, Marunouchi 2-chome, Kojimachi-ku, Tokyo.
Kurz, E. J., 23, Kamitomizaka-cho, Koishikawa-ku, and c/o Illes & Co., Teikoku Seimei Bldg., Marunouchi 1-chome, Tokyo.
Lorenz, H., 612A and B, Yusen Bldg., Marunouchi, Kojimachi-ku, Tokyo.
Momotani, R., 1, Nakameguro 1-chome, Meguroku, Tokyo.



1404 Montreal Trust Bldg.,
67 Yonge Street,
Toronto 2, Ontario,
May 14, 1941.

*Good letter by
E.W.S.*

E. Winslow-Spragge, Esq.,
General Manager,
Canadian Ingersoll-Rand Co. Limited,
New Birks Bldg.,
Montreal, Que.

Dear Mr. Winslow-Spragge:-

With further reference to your letter of April 30th in regard to the survey of industrial production, Mr. Willis George has discussed the points raised with the proper officers of the Department of Munitions and Supply and consideration is being given to them.

Yours faithfully,

J. Stewart
General Manager.

EGR/FM.



1404 Montreal Trust Bldg.,
67 Yonge Street,
Toronto 2, Ontario,
May 1, 1941.

E. Winslow-Spragge, Esq.,
General Manager,
Canadian Ingersoll-Rand Co. Limited,
Montreal, Que.

Dear Mr. Winslow-Spragge:-

I have your letter of April 30th and so far as I am able to judge, I believe that most manufacturers would agree with the principles you outline in your last paragraph on page 2.

After considering your letter, I am sending a copy of it and of your letter of April 28th to Mr. George asking him to take the matters up, without showing your letters or without mentioning your name, with experienced men in the Department, such as Mr. G. K. Sheils, Deputy Minister; Mr. H. J. Carmichael, Director-General, Munitions Production Branch and Mr. R. C. Berkinshaw, Director General of Priorities Branch, Department of Munitions and Supply.

I expect to be in Ottawa before long and will follow this up as well as I can.

Thanking you for writing me and giving me these valuable suggestions, I remain,

Yours faithfully,

J. Sturcell
General Manager.

JTS/FM.

W

April 30th, 1941.

Mr. J. T. Stirrett,
General Manager,
Canadian Manufacturers' Association,
67 Yonge Street,
Toronto 2, Ontario.

Dear Mr. Stirrett:-

I have your letter of April 29th and I appreciate the care you have taken in studying my letter and in the reply you have made to-day.

My only object is to get people whole heartedly and quickly to work and if by sending my letter to Mr. Willis George for discussion with Mr. Carmichael will do any good you have my permission to use it.

On looking over my letter I am reminded that it was written as a sort of inter-office communication to someone well known to me. I will leave it to you to judge whether Mr. Carmichael would appreciate such a letter or whether a better result would be obtained by toning it down for gentle Ottawa ears. Providing results are obtained, I do not much care about the means.

It is so hard for an individual manufacturer having a presumed personal interest to successfully get across the obvious truth that irritation, bad feeling, lack of enthusiasm are the natural result which is a hazard when manufacturers are told to go ahead by one apparently responsible department which responsible party is then put in the position of being not backed up but arbitrarily discredited by another department. The fact that it is the Treasury Department does not make it any better as a method of procedure.

Out of a sense of forbearance, due to our condition of war, many people have failed to speak their minds on this subject. Those who have spoken have done so in private so that the growing mass of protest is lying underground and seemingly this discontent is not realized by those whose duty it is to unify departmental activities in Ottawa.

It had seemed to me that possibly without bringing my name, or any other individual firm's name separately into the picture, that the Canadian Manufacturers' Association could easily size up the importance or unimportance of this situation and having accumulated sufficient information they would be best adapted to transmit it in unbiased form to the responsible

Page two

Mr. J. T. Stirrett.

April 30th, 1941.

Ministers at Ottawa. Every experienced firm maintains stringent regulations to prevent their organization proceeding on an order until, at least, the basis conditions have been put in writing in the form of a purchase order or contract. These basic conditions are - price, time of payment, time of delivery. When the Government neglects to follow these basic principles of good business, they are risking the loss of things of real importance, namely, confidence and enthusiasm. If I am right in this, it is most important that the best possible means be taken to effectively convey the facts to Ottawa and get them acted upon.

Yours very truly,

CANADIAN INGERSOLL-RAND COMPANY LIMITED

General Manager.

EW-S/EC



1404 Montreal Trust Bldg.,
67 Yonge Street,
Toronto 2, Ontario,
April 29, 1941.

E. Winslow-Spragge, Esq.,
General Manager,
Canadian Ingersoll-Rand Company Limited,
New Birks Building,
Montreal, Quebec.

Dear Mr. Winslow-Spragge:-

I have your letter of April 28th. We have carefully studied your suggestions and, so far as we are able to judge, we think they are all practical and could be applied to the administration of the survey.

You will be interested to learn that the Chairman of our Legislation Committee, Mr. H. K. Thompson, Assistant Manager of the Canadian General Electric Company's Law Department, has recently gone to Ottawa to assist in getting out contracts. As you know, hundreds of orders were placed during the last few months without contracts. Manufacturers were told to go ahead. The Treasury Department, however, will not pay unless there is a contract and Mr. Thompson is helping to get out contracts so that manufacturers may be paid.

The Joint Committee are greatly obliged to you for loaning Mr. Skelton to act as Chairman of the Eastern Townships Zone. We were very glad indeed that both you and Mr. Skelton were able to be present at our meeting last Friday.

I would like very much to send your letter to our Ottawa Office and ask Mr. Willis George to discuss it with Mr. Carmichael and some of his assistants. Will you give me permission to do this?

Thanking you very much for attending our meeting here last Friday and for your valuable help in making the suggestions contained in your letter, I remain,

Yours faithfully,

J. J. Sturtevant
General Manager.

JTS/FM.

Apr 30

COPY TO 
FROM
CANADIAN INGERSOLL-RAND CO.
LIMITED
MONTREAL, QUE.

April 28th, 1941.
(Dict. April 26/41)

Mr. J. T. Stirrett,
General Manager,
Canadian Manufacturers' Association,
67 Yonge Street,
Toronto 2, Ontario.

Dear Mr. Stirrett:-

I was very interested in sitting in at the meeting held in Toronto yesterday and hearing the discussion on the progress report on survey and co-ordination of Canadian industrial production for war purposes. The three points which struck me were -

1. That we should strive for decentralization or perhaps, I should say, distribution of effort and should press on the zone chairman and their organization a heavy percentage of the work and should give their recommendations a reasonable amount of weight. I was struck with the difficulty, if not the impossibility, of any man or group of men in Ottawa effectively using the data provided by the survey but the zone chairman, looking at the matter from a business and a human standpoint, should be able to guide the placing of orders far more rapidly and effectively than would be possible for any central group of purchasing agents working without such guidance.
2. After having studied for a day the multitude of drawings on a single marine engine, I am somewhat appalled by the plan disclosed in the report of sending selections of blueprints and samples to the various zone chairmen for the purpose of letting people study this museum of information and thus put the right work in the right small shops. In this connection I commend Mr. Alex. Goldie's remark that the thing to do is to try under this scheme to get one lathe started making one cut, otherwise there is a danger of swamping the effort and discouraging the zone chairmen by sending them the first small lot of 1000 or 2000 drawings and 1000 or 2000 samples.
3. I concur in one speaker's recommendation that a tremendous amount of time can be saved, if suggested selling prices - acceptable to the Board - were put opposite as many as possible of the items. By distributing the work of making these estimates among the zone chairmen and thence through the most responsible manufacturers in the various zones, it would be possible to compare notes and

COPY TO 
FROM
CANADIAN INGERSOLL-RAND CO.
LIMITED
MONTREAL, QUE.

Page two

make an average of three or five estimates in order to arrive at the price acceptable to the Department. In this I am thinking about the pricing of individual items subject to being placed in orders amounting to perhaps \$30,000 or under. Initial orders, placed with small concerns, should probably carry a plus of 10% or 20% over the price which would be applicable to repeat orders.

By getting every one war supply conscious people who would not otherwise canvass business and thus be unknown effectively to the Board would get on to the lists and in very short order a list of useful suppliers could be rapidly built up.

4. There are many reasons why the Department has not got as many people working for them as they should have and have not got the people who are working for them extended to the limit of their ability to serve.

Insofar as getting work rapidly and efficiently distributed in relatively small lots, the most important thing to establish is simplicity in the form of order and simplicity and certainty of payment. Once the government have overcome their bad reputation for dilatory action and procrastination in the matter of payment, they will gain the confidence and the interest of shops - both small and large - and be enabled to place business very close to cost and be able to get their work given equal or better precedence than the work of other regular customers who now pay better prices and more promptly.

I have given carte blanche to our Works Manager, Mr. Skelton, to devote a heavy percentage of his time and travelling expenses to lining up his Eastern Townships Division so that everyone can be enabled to do a maximum of the work desired by the Government and at a minimum of expense to the government. I feel sure that a majority of firms represented yesterday will adopt the same attitude. But if the best results are to be obtained the Department will have to meet the manufacturer half way. The Department will have to show unity of spirit and purpose and overcome the unfortunate impression which has been created of buck passing between departments.

Hoping that some of these suggestions will be found helpful, I am,

Yours very truly,

CANADIAN INGERSOLL-RAND COMPANY LIMITED

W.

EW-S/EC

General Manager.

Dear Dan:-

As regards the question of "patriotic duty" or "imperative" need, everything now seems so urgent and we seem so much better able to do things than most people that I find it difficult to refuse.

On the other hand I have got to protect ourselves from unfavourable price comparisons.

The attached letter of May 16th is one of the many efforts made by Messrs. Carmichael and Drysdale to induce further efforts.

E. Winslow-Spragge.

Montreal, June 18/1941.

C O P Y

DEPARTMENT OF MUNITIONS AND SUPPLY.
Ottawa, Canada.

May 16, 1941.

File

Mr. E. Winslow-Spragge
Vice President
Sherbrooke Pneumatic Tool Co.Ltd.
SHERBROOKE, QUEBEC

Dear Mr. Winslow Spragge:

It is becoming more than ever imperative that all existing manufacturing facilities be utilized. Our war effort must have the benefit of every available piece of equipment, no matter in what shop it may be found. To this end we request that you subcontract just as much as you possibly can of each and every contract which you now have or which you may receive for war work. Every manufacturer in Canada who has machinery available or machinery that can be diverted will be enlisted for essential production.

The Canadian Manufacturers' Association, in collaboration with the Canadian Chambers of Commerce, have set up an organization, headed by zone chair men, throughout every part of the Dominion of Canada. All particulars relative to available capacities and equipment in any given territory are known to the chairman in that area, and he will supply such information to any contractor who wishes it. Manufacturers will serve the country and themselves by making the fullest possible use of this service.

We have appointed Mr. D.M. Galloway and Mr. A.F. Vaison as Liaison officers to maintain close contact with all contractors and more particularly to line up the smaller shops so that they may be furnished with such subcontracts as their equipment can handle. Mr. Galloway who will be our representative for the Toronto area, may be reached in care of the Department of Munitions and Supply, 6 Charles Street East, Toronto. Mr. Vaison's address is in care of the Department of Munitions and Supply, Room 1017 Dominion Square Bldg. Montreal. Both men will be in constant touch with the various zone chairmen appointed by the Canadian Manufacturers' association.

The best possible way to speed urgently needed deliveries is to spread the work into every available plant. We count upon your fullest cooperation with us in this aim to answer Mr. Churchill's request.

GIVE US THE TOOLS AND WE WILL FINISH THE JOB!

Sincerely yours,

(SIGNED) H.J. Carmichael - W.F. Drysdale.

Joint Directors General of Munitions.

*Original sent to DCK
June 15/41*

C O P Y

MINISTER OF FINANCE

CANADA

May 19, 1941.

Canadian Ingersoll-Rand Co. Ltd.,
New Birks Bldg.,
Montreal, Que.

Attention: E. Winslow-Spragge, Esq.

Dear Mr. Winslow-Spragge:

I would like very much to have your active co-operation in establishing leadership for the forthcoming Government Loan which will be offered for subscription about the end of this month.

As in the case of every important national campaign, success hinges on the scale of participation established by those who are able to subscribe substantial amounts. Will you, therefore, in determining your subscription to the Loan make the amount as large as you possibly can, having in mind not only the value of the subscription itself but the influence on others.

Further, I would ask you to urge upon your employees and officials the vital necessity of their organizing to give the fullest possible measure of support to this Loan. An Employees Committee has been set up in your community to work with employers and their employees. This Committee will supply information and speakers, if necessary, and all other co-operation which may be required in order to obtain the maximum volume of subscriptions from the workers in your organization.

Victory can only come when the armed forces of the Empire are equipped with an overwhelming superiority in ships, airplanes, tanks and all munitions of war necessary to destroy the enemy. The amount of money presently required is more than has ever before been asked of the Canadian people in one loan.

Canada has the resources in plant, industrial leadership and finance to meet these requirements. Our national income is \$3,600,000.00 greater than in 1914 and our bank deposits are more than two and a half times those of 1914. I therefore feel confident that, with the wholehearted support of the Canadian people, the Loan now about to be launched cannot be otherwise than an outstanding success. May I count on your support to the maximum of your available resources and credit?

Yours sincerely,

J.L. Ilesley (Sgd.)

*Good
morning
2015 W-5
of R.W.S. re
loan*

May 27, 1941.

Ilsley

Honourable J.L. Ilsley,
Minister of Finance,
Ottawa,
Canada.

Subject: Victory Loan

Dear Mr. Ilsley:-

I have your letter of May 19th and you may count on our doing the very best we can to aid with our subscription to the Victory Loan. In the meantime, I have taken preliminary steps to see to what extent we will be able to participate.

Yours very truly,

CANADIAN INGERSOLL-RAND COMPANY LIMITED.

EW-S/EW

General Manager.



1404 Montreal Trust Bldg.,
67 Yonge Street,
Toronto 2, Ontario,
May 31, 1941.

Personal.

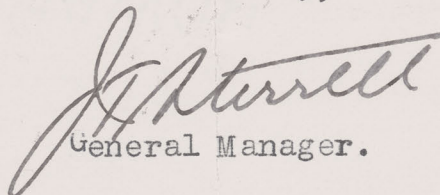
E. Winslow-Spragge, Esq.,
Canadian Ingersoll-Rand Co. Limited,
New Birks Bldg.,
Montreal, Que.

Dear Mr. Winslow-Spragge:-

I have received this morning a letter dated London, April 30th, from Sir John Greenly, who, you will no doubt recall, was Controller-General and Chairman of the British Supply Board in Canada and the United States, from which I quote as follows:-

"For your own information and the information of my many friends on the Canadian Manufacturers Association I can give you the cheering news that we are all going very strong here despite a few temporary reverses of the present time which are only serving to strengthen our resolve to see this war through to a victorious finish."

Yours faithfully,


General Manager.

JTS/FM.

W

COPY

Mark Reply
Attention Mr.H.R.Malley.

DEPARTMENT OF MUNITIONS AND SUPPLY

Ref. Req.Can.213.

Ottawa - Canada

June 4,1941.

Sherbrooke Pneumatic Tool Company
Limited,

P.O.Box No.40,
620 Cathcart Street,
MONTREAL.

Attention Mr.E.Winslow-Spragge

Dear Sirs:-

We thank you for your letter of the 3rd instant enclosing photograph of the first lot of 250 - 5.5" Shell.- photographed in your paint shop on Sunday, June 1st. We wish to compliment you and your staff on the way in which you tackled this 5.5" Shell problem and brought your plant into production in such good shape. Will you kindly pass on to your executives and staff the Department's appreciation.

We regret very much the absence of Government gauges and we understand that everything is being done to put this right at the earliest possible moment. The photograph is gracing the walls of this office for everyone to see your good work.

Yours very truly,

H.R.Malley

For Director General of Munitions.

HRM/EM

P.S. Would you kindly forward two additional copies of this photograph for my use.

*Praise of shell work
for Director Gen of Munitions*

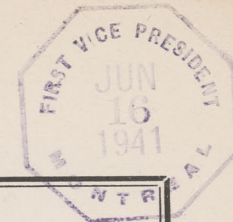
for rationed prisoners, hopeless, hungry and desperate.

When we win, we shall win all by preserving the rights, privileges and freedoms transmitted to us by the generations of the past. The gallant Canadian men and women on active service are in the posts of danger and hardship. The rest of us, free as yet from the torments suffered by the heroic civilians of Britain, can and must help the fighters in every possible way, by working and sacrifice. Important and necessary although our efforts and the efforts of others in providing supplies may be, they can never be decisive. Final victories can only be won in battles.

The enemies must be sought and destroyed and they are being sought and destroyed by the valorous seamen, airmen and soldiers of the British Empire on the oceans and in the air and on many lands. On their incomparable courage and fortitude and skill depend the hopes of civilization.

I conclude with the deathless words of the famous Greek statesman and war leader, Pericles, in the winter of 430 B.C., twenty-four centuries ago, at a public funeral to the Greeks of that time who had fallen in the first year of the Peloponnesian war:

"For heroes have the whole earth for their tomb: and in lands far from their own, where the column with its epitaph declares it, there is enshrined in every breast a record unwritten with no tablet to preserve it, except that of the heart. These take as your model, and judging happiness to be the fruit of freedom and freedom of valour, never decline the dangers of war."



ANNUAL REVIEW

of

HAROLD CRABTREE

President

CANADIAN MANUFACTURERS' ASSOCIATION

70th Annual General Meeting



SEIGNIORY CLUB

P. Q.

June 9th, 1941

demands for boards of conciliation and unjustifiable demands for higher wages, should be amended. Strikes and lockouts in plants engaged on war production should be prohibited for the duration of the war.

Public opinion is a valuable ally. Let the public know the wages that are being paid in plants where demands for increases are made, and the public will compare these demands and existing wages with their own incomes and form their judgments of the merits of the case. Canadians, generally, are not prepared to see the country's industrial war effort dislocated and curtailed by the activities of minority groups whose main object, apparently, is to secure a large measure of control of the key war industries, where wages are well known to be among the highest paid anywhere. The Government should act immediately and firmly before the situation becomes even more serious than it is at present.

In so far as the exigencies of the war will permit we should try to keep in mind the problems that will follow in its wake. This will be a test for industry as well as for Government, but it may be their greatest opportunity. Let both Government and industry consider now, as far as possible, what plans can be made and what financial reserves can be allocated to tide over the period between the cessation of hostilities and the resumption in volume of normal production.

It is not inevitable, as some think, that when we win, we shall face another struggle almost as exhausting as the war—the restoration of the world to peace and order. These melancholy predictions may be fulfilled. On the other hand, the spiritual and mental stimulation, born of and nourished by the conflict, the strength engendered by unity, the inner fire kindled and kept alight by great deeds, the skills acquired through effort by millions of men and women, may well inspire and equip our generation and the next to rebuild from the ashes a finer edifice than that destroyed.

At any rate we can dream and plan to that end.

The British Empire is engaged in a war of life or death. There can be no negotiations, no armistice, no surrender. If we fail in the great task, we would lose all. Religion would be banned. Education would be tolerated only to serve propaganda. Morality would be outlawed. Property in all its forms would become worthless. All our labours over munitions, supplies, food and transport would be of no avail. Canada would cease to be a free nation. She would be only an area

appeared. Demands for large increases of wages and control of plant operations have multiplied, accompanied by applications for boards of conciliation under threat of strikes. There is ample evidence that these demands are promoted by small minority groups who are seeking to acquire influence over thousands of new workers in industry by holding out promises of higher wages than those declared by the Government to be reasonable. These same groups are demanding practically control of plant operations.

With profits largely taken by war taxation, increased wages in war production must be added to the prices paid by the Canadian and British Governments for munitions. Further increases in the cost of production of goods for war purposes, must cause similar increases in the cost of goods used by the civilian population or exported to other countries.

Recent representations of organizations of farmers show that they are apprehensive of too great a spread developing between the prices of what they have to buy and what they have to sell. Prices of farm products have not risen in this war as they did in the last. The greatly increased demand for industrial labour draws young people away from the farms and makes it difficult for farmers to retain necessary help. In these circumstances, the farmers naturally are concerned at the prospect of industrial costs, and, consequently, prices of goods, mounting still higher. The big item in these costs is wages and from the farmers' point of view the industrial workers are already in a privileged position.

Further increases of industrial wages will create an unfortunate contrast in many cases with the pay of those in the army, navy and air force. This may adversely affect enlistment, and would not be fair in any case.

Employers are practically helpless in this matter. They are so few in number that they have little influence. The question of what industrial wages are to be paid, is, under war conditions, now largely in the hands of the Government. The great majority of industrial employees are loyal and reasonable citizens. They do not want to increase the prices of war products to the Canadian and British Government, nor the prices of civilian goods, of which they, themselves, are the largest buyers, to the public. The small minority who will not respond to a patriotic or reasonable appeal should be dealt with firmly by the Government. Existing laws, which permit or encourage frivolous

THE PRESIDENT'S ANNUAL REVIEW

AT OUR last Annual General Meeting, we were still offering much available industrial capacity to the Canadian and United Kingdom Governments. Since that time, the necessities of war have created a flood of demands on Canadian industry. Now, although there is still some industrial capacity which can be utilized, our chief task is to manufacture the supplies for the orders placed, to struggle with the innumerable problems created, and to pour out in immense and increasing volume the vast quantities of munitions of war urgently demanded by the Canadian and British Governments, by the Governments of other Empire countries and, in the past few weeks, by the Government of the United States.

A statement recently issued by the Dominion Bureau of Statistics, Department of Trade and Commerce, indicates the growth of production. Seasonally adjusted business indexes, based on the average of 1935-1939, which is taken as 100, show that industrial production in March, 1941, had risen to 133; manufacturing production to 137; and iron and steel production to 167. Another index figure shows iron and steel imports at 220. Even these figures do not tell the whole story because they indicate total production, both war and civilian. As there has been restriction of civilian production, the relative increase in war production is really greater than that set forth.

The magnitude and variety of war production are revealed in lists issued from time to time, but the following is an official statement of the total war contracts placed in Canada to March 31, 1941:

| | |
|--|----------------|
| Contracts placed, including plant extensions— | |
| Canadian account* | \$ 841,637,206 |
| Contracts placed by Civil Aviation Division for Airport Construction under the Air Training Plan* | 17,200,000 |
| Contracts placed—U. K. Account | 467,000,000 |
| Contracts placed on U. K. Account under the Plant Extension Programme, together with orders for the output of some of these plants | 198,000,000 |

Total contracts placed on Canadian and U. K. account, excluding certain contracts yet to be placed under Plant Extension Programme.... \$1,523,837,206

*Includes expenditure under the Air Training Plan, some of which are chargeable to other Empire countries.

Contracts Awarded — Canadian Account

| | |
|---|--------|
| Let by Defence Purchasing Board and the War Supply Board, July 14, 1939, to April 8, 1940 | 11,082 |
| Let by the Department of Munitions and Supply, April 9, 1940, to March 31, 1941 | 83,446 |
| Total number of contracts awarded | 94,528 |
| The average value of each of these contracts approximates \$8,900. | |

By now, the grand total of contracts placed and commitments made is over \$1,600,000,000. Total plant commitments exceed \$425,000,000.

It is impossible, in this review, to give many details, but the growth and trend of war production in Canada are indicated by the following extracts from statements by the Director of Public Information on April 30, 1941, and from other official sources:

"Ten of Canada's nineteen chemicals and explosives projects have begun to produce. Four more will be in production by the middle of the year. One of these plants is equal in size to the largest similar plant in the British Empire. Total production of explosives this year should exceed the entire Canadian output during the first Great War. Twelve types of chemicals and eight types of explosives are being turned out."

"Shells and shell components are being produced in many factories well up to schedule. Nine types of gun ammunition a month are now being turned out at the rate of millions of rounds a year. Aerial bombs, and rifle grenades, are being turned out."

"Steel production has increased tremendously in Canada. The 1935-1938 average was 1,300,000 tons a year. It is now estimated that production is at the rate of well over 2,000,000 tons a year."

"Measured by cubic feet, the volume of aluminum now being produced in Canada is greater than the volume of any other metal produced in this country, except iron, and it is enough to make more than 50,000 planes annually."

"One Canadian factory, which began production before the war and is now manufacturing much ahead of schedule, will soon have the largest output of any automatic gun plant in the world."

"Small arms ammunition factories are producing tens of millions of rounds monthly and are capable of increasing production, should this be necessary."

"Fourteen types of land and naval gun, including latest type of anti-aircraft and anti-tank guns, and ten types of mountings, are now being made or are soon to be made in Canada. Mortars are now being turned out, and 25-pounders are in production."

the United States. These are indications of trends which cannot be disregarded—as they are certain to increase as the war continues and intensifies.

Industrial Relations and Costs

Profits have been reduced to a minimum by government taxation. Many companies are working for the Government for small management fees. It is obvious, therefore, that increased costs can only be paid for by increased prices. Wages and salaries constitute the chief part of industrial costs.

At the beginning of the war, the Government was faced with the dreaded spiral of increased prices, followed by increased costs, followed by increased wages, these in turn followed by increased prices, and so on, every twist of the spiral sharply upward. Experience has shown many times that this spiral bears most heavily on those with the lowest incomes, which never overtake rapidly increasing prices. Prompt action was taken by the Dominion Government through the establishment of the Wartime Prices and Trade Board, the Foreign Exchange Control Board, and other methods of control. These were successful to a gratifying extent as proved by the fact that, after a year and a half of war, the cost of living, according to Government figures, had risen only about 7 per cent.

Until a few months ago, relations between employers and employees in regard to wages and conditions of labour were, on the whole, satisfactory. Opportunities for work increased rapidly and in many cases most of the adult members of families found employment. The Government endeavoured to provide for reasonable rises in wages to keep pace with the very moderate rise in the cost of living by suggesting that there should be taken as a fair standard the wage level of 1926-1929 (adjusted upward in cases where that level was for special reasons unduly depressed), or higher wages paid since then, and that over and above that standard, there should be a cost of living bonus payable as and when the cost of living rises. In this connection, it should be remembered that the cost of living in 1929 was over twelve per cent higher than in September, 1940, when the above standard was set. With these conditions, and with growing and steady employment, the great majority of Canadian industrial employees were contented and were concentrating their abilities and energies on helping in every possible way to carry on the war.

During the past few months, a sinister change has

Concentration of Production

Concentration of production is well under way in the United Kingdom. The following is a quotation from a memorandum recently issued by His Majesty's Stationery Office:

"The President of the Board of Trade explained to the House of Commons on the 6th March that the Government's economic policy in wartime is to facilitate the fullest possible transfer of resources to war production while maintaining exports as far as practicable. This policy demands the severe cutting down of civil consumption and the release of labour, materials and factory space for more essential purposes."

When speaking on the subject in the House of Commons, on March 27, Mr. Lyttleton, President of the Board of Trade, on behalf of the British Government, said:

"We have now reached a stage in our production at which we can afford to waste nothing. All the ingredients of production are precious. A demand for labour on a very big scale is beginning to be felt. There is a strain on our raw material supplies and on our shipping space, and there is a strain on our capacity to produce munitions of war. In these stringent circumstances, I suggest that it is unthinkable that even one man or woman, skilled or unskilled, should work part-time or that a single ton of raw material should be directed toward unessential manufacture. We have already cut down greatly the production available for home civilian consumption. We have already had to make serious cuts in the supply of raw materials for the consumer goods industries. We have already had to adopt a discriminatory policy with regard to our exports, a policy which is designed, first, to meet the essential requirements of our customers, and, secondly, to provide us with the maximum possible resources in purchasing-power abroad."

British industry has to deal with serious problems from which Canadian industry is happily free, for the time. British industry is carrying on in the midst of savage warfare, when factories are severely damaged or destroyed over night. British factories must import supplies and export goods by sea, in the face of constant attacks from airplanes and submarines.

Nevertheless, concentration of production is on the way in Canada also. Heavy taxes have been imposed on certain commodities, not primarily to secure revenue, but to diminish manufacture. Controls have been established. New models have been restricted. A system of priorities has been put into operation. Similar policies and practices are being introduced in

"190,000 army mechanical transport vehicles have been ordered in Canada and more than 100,000 of these have been delivered and are in service. The majority were exported to Britain and Empire countries. They were used to a great extent by British forces against the Italians in Libya."

"Armour plate of a high quality is now being made in Canada in preparation for production of two types of tank in Canada."

"Production of alloys is ten or twelve times the pre-war level."

"Depth charges and anti-tank mines are on order."

"At the beginning of the war there were only 1,500 men employed in Canadian shipyards. Now over 20,000 workers are employed in 17 major and 45 smaller yards. Today the shipbuilding programme involves an expenditure of upward of \$120,000,000. Some 266 ships have been ordered, not including small craft, and 92 have either been delivered or launched. A further 50 corvettes or minesweepers will be launched by June 1.

"The shipbuilding programme is summarized as follows: Corvettes, 80 ordered, 47 launched; minesweepers, 60 ordered, 15 launched; auxiliary cruisers, 3 ordered and delivered; vessels converted to naval use, 27 ordered and delivered. 24 petrol boats have been ordered, and 12 special minesweepers. Deliveries are being made constantly under the \$6,000,000 small boat programme which is now over 40 per cent complete and includes the construction of hundreds of craft ranging from pulling boats to fast torpedo boats. The Canadian merchant-shipbuilding programme is to be extended also to include the construction of over 100 freighters of the 10,000-ton class."

"Over 1,300 aircraft have been produced in Canada and about 40 planes a week are now being turned out. The Canadian aircraft industry has now supplied the British Commonwealth Air Training Plan with most of the primary trainers which it needs at present, and the industry is now turning more to the production of advanced trainers and service craft of the heavy bomber type. For example, Harvard trainers are now being turned out, 39 PBV Flying boats were recently ordered and orders for 200 Martin B-26 medium bombers are now being negotiated. Engines for all planes produced in Canada are imported."

"Canada has produced a tremendous amount of personal equipment for her armed forces. This equipment includes over 100,000 separate and distinct articles. Orders to the value of almost \$100,000,000

have been placed for the equipping and maintaining of Canadian forces."

"Canada's mineral output in 1940 was 11.5 per cent greater than in 1939 and constituted a record. This mineral production provides supplies of nickel, zinc, copper, aluminum and lead—all metals vital to mechanized warfare."

"A few of the items now being manufactured in Canada that were not made in this country before the war include field telephones, special wireless equipment, a variety of naval stores, compasses, chemicals for laying smokescreens, chain cable, anti-gas clothing, gas masks and parachutes."

It is indeed fortunate that Canadians, since Confederation, have built up an industrial system which enables the country to contribute in the manner indicated to the war. This great system was not developed in a night. It is the result of the imagination, thought, intelligence, ability, industry and perseverance of several generations of Canadians who believed tenaciously, in the face of many discouragements, that Canada should and could become a great industrial country. Many Canadian industries, where thousands of men and women are now at work making on a remarkable scale sorely needed war products, have been the subjects of controversy as to whether or not they were indigenous to Canada and should have been encouraged in this country. We have heard the argument many times in the past that Canada should be largely a producer of foods and raw materials and a trader of these commodities for the manufactured goods made in other countries. It is well that, in determining the national policies of this country, the inherent good sense of the majority of Canadians and their faith in their country's future, prevailed and encouraged and supported the development of the manufacturing industries which are now contributing on such an immense scale to war needs.

This is not all. If we had not had this industrial foundation of skilled management and employees and experience, we could not have undertaken experiments in making entirely new and very complicated articles never made before in Canada, but, because of what had been established in the past, we are doing this successfully and in ever increasing quantities. Hundreds of articles which we did not even contemplate we could make here are now being made because we possessed the fundamentals of industry, because of stark necessity and, also, because of the absence of

competition from other countries which so often prevents the development of involved and expensive industrial processes in a new country.

While Canadians are making new records in industrial production, we should not view this in any spirit of complacency. We can do still more. There remains yet a considerable amount of unused industrial capacity. There are still many firms in Canada who can put into operation a larger proportion of their employees, machines and equipment in making articles for war. We, in co-operation with the Canadian Chamber of Commerce, and by special request of the Department of Munitions and Supply, are completing an industrial survey of Canada in order to assist the Department to increase still further the national output of war materials. There are obstacles in the way of increased production as there always have been, but these obstacles can be and should be removed. For example, an important part of the semi-skilled labour problem is being solved by the training of thousands of young people in the repetitive operation of mass production by manufacturers and other producers, themselves individually and in groups, and in technical and other schools under plans projected and administered by the Dominion, provincial and municipal governments.

All Canadians should guard themselves against any feeling that we are even approaching the limit of our exertions and sacrifices. This does not undervalue in any way what has been done and what is being planned. Judged by ordinary peacetime standards, Canadian achievements in the fields of production during the past year have been creditable, but there is one fact which is not taken into account sufficiently in measuring our war accomplishments and plans. During the war 1914-1918, the first year and a half was a period of economic decline in Canada. The first winter witnessed widespread unemployment. In this war, practically from the first day, largely because of the greater part that industry is playing in warfare and of Canada's industrial capacity, employment has risen steadily. The number of unemployed has declined from month to month. The national income, which is made up of the incomes of all Canadian citizens, owing to the greater productive activity in most national departments, has been increased considerably. While large sums of money are being taken from this national income by the Government, quite properly, in order to carry on the war, general standards of living, so far, have been maintained.

*Howe
orders*

June 10th, 1941.

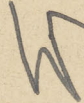
Mr. D. C. Keefe,
President,
Ingersoll-Rand Company,
11 Broadway,
New York, N.Y.

Dear Dan:-

Audit Clause
Meeting with Minister of Munitions,
Thursday, June 12th.

Mr. C. D. Howe has expressed pleasure at the good progress we have made on shells and has given us an appointment on Thursday to talk about pricing matters in regard to our sales of regular products, particularly having in mind the big order for portable compressors and tools on which the auditors have been working.

Yours very truly,



First Vice-President.

EW-S/EC

Stabilization of wages



Toronto, 2, July 10th, 1941.

E. Winslow-Spragge, Esq.,
General Manager,
Canadian Ingersoll-Rand Co. Limited,
Montreal, Que.

Dear Mr. Winslow-Spragge,

RE STABILIZATION OF WAGES.
RE COST OF LIVING BONUS.

Mr. Stirrett has asked me to reply to your letter of the 9th instant, addressed to him.

The intention of the Government in passing Orders in Council 7440 and 4643, on the recommendation of the National Labour Supply Council, was to set a "ceiling" to wages. Wage rates which were up to or above the 1926-29 level, were to be taken as generally fair and reasonable, unless it could be shown that for special reasons they were in 1926-29, or are now, either unduly depressed or unduly enhanced. The only additional remuneration above such standard was to be a wartime cost of living bonus, payable if and when the cost of living index rose 5%, and three months had elapsed since the last wage adjustment.

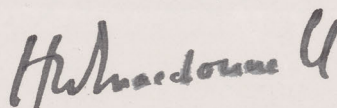
The general view expressed almost unanimously at a number of representative meetings has been that if this Order in Council were applied, and lived up to strictly, it would have a good effect in preventing wages from soaring to

2.

unreasonable and uneconomic heights. The view taken by Messrs. Coulter, Moisan, Armstrong and McIntyre, the Association's representatives on the National Labour Supply Council is that these two Orders in Council are far more favourable to industry than anything that the Labour members of the National Labour Supply Council would be prepared to accept today.

I should be very glad to have your further views on this subject.

Yours very truly,



Légal Secretary.

HWM/G.

July 9th, 1941.

Mr. J. T. Stirrett,
General Manager,
Canadian Manufacturers' Association,
67 Yonge Street,
Toronto 2, Ontario.

Dear Mr. Stirrett:-

Re Stabilization of Wages
Re Cost of Living Bonus.

As a member of the Executive Committee, I would like to know what the other members feel about PC-4643. This Order-in-Council seems to almost completely overlook the fact that long before there was any appreciable increase in the cost of living index and far ahead of this Order-in-Council of June 27th, 1941, the vast majority of industrial wage earners had already received increases far beyond anything contemplated in this Order-in-Council. Consequently this Order-in-Council, as it affects industry, is not only superfluous but should have been drafted in the opposite sense.

The Government and the Government's sub-contractors have become our principal customers and have got to pay in our selling prices for exorbitant increases in material and labour far beyond anything which can theoretically be justified by their own cost of living index. Surely then the Government's plea should have been for moderation in place of a plea for further extravagance. Surely the Government should ask labour to recognize the continuity of employment, the larger amount of work available per week and to avoid asking for 5% rate changes in cases where they have already got 50 to 100% increased monthly earnings.

Selfishly speaking, it is not the manufacturers' funeral as it would be if we were selling standard products at standard prices. But when every increase can be passed on to the Government and to the Government's sub-contractors, it is not the manufacturer so much as the Government as has an interest in maintaining reasonable costs.

I have not seen anything from my fellow members of the Association and I have not seen anything from the Association to the Government along these lines and I am wondering whether I have missed whatever action may have been taken or else why it is that there seems to be such an attitude of complacency at a time when all our thoughts should be directed towards maximum production and minimum cost.

Yours very truly,

EW-S/EC

General Manager.

Canadian Manufacturers' Association

(Incorporated)



Circular No. 1039

67 Yonge St.,
1404 Montreal Trust Building,
Toronto 2, July 4th, 1941.

RE STABILIZATION OF WAGES RE COST OF LIVING BONUS.

Dear Sir:

Members will recall that Association Circular No. 992, dated the 21st of December, 1940, set out the terms of Order-in-Council P.C. 7440, dated the 16th of December, 1940, dealing with the stabilization of wages. The text of Order-in-Council 7440 was also set out as Appendix III to Association Circular 1035, dated the 18th of June, 1941.

On the 27th of June, 1941, a further Order-in-Council P.C. 4643 was passed, in order to clarify the intent and purpose of Order-in-Council P.C. 7440.

The principal changes in the original Order-in-Council 7440 may be summarized as follows:—

1. Section 3 of P.C. 7440 provided that wage rates established during the period 1926-29 or higher levels established since that time should be considered generally fair and reasonable except where it was shown that "**exceptional circumstances during that period** resulted in depressed and sub-normal or unduly enhanced or abnormal wages in a particular industry, trade, or locality."

The change, it will be noted, is that if it is clearly shown that a certain wage rate level either was during the period 1926-29 or is now "unduly low or subnormal," a Board of Conciliation may recommend such rates as it considers fair and reasonable.

2. Section 4 of the original Order P.C. 7440 provided that where it was shown to the satisfaction of a Board of Conciliation that the wage levels of 1926-29 if restored would be out of alignment (in being higher than the present prevailing rates) it should be accepted as reasonable that increases in wages granted in any calendar year should be limited to 5% of the prevailing rates.

The change is that the above rule shall only apply in cases where it is clearly shown that such previous wage rate levels, if restored, would be "unduly enhanced or abnormal."

3. Section 5 of the original Order P.C. 7440 provided that the cost of living bonus on the basis specified "may properly be paid."

The change is that the amending Order-in-Council P.C. 4643 provides that "a wartime cost of living bonus separate from and in addition to basic wage rates **shall be paid except for good cause shown to the contrary** to all employees," subject to the conditions specified, on the basis of 25c per week for each rise of 1 per cent. in the cost of living.

N.B.: Attention is called to the fact that Order-in-Council P.C. 4643, like Order-in-Council P.C. 7440, applies to industries coming within the purview of the Industrial Disputes Investigation Act, as extended by Order-in-Council P.C. 3495 to cover employers and employees engaged in war work. It should also be noted that the principles of wartime wage policy set out in the two Orders-in-Council are laid down "for the guidance of Boards of Conciliation set up under the Industrial Disputes Investigation Act in carrying out their duties."

The terms of the new Order-in-Council P.C. 4643 are as follows:

P.C. 4643
PRIVY COUNCIL
CANADA
AT THE GOVERNMENT HOUSE AT OTTAWA
FRIDAY, the 27th day of JUNE, 1941.
PRESENT:

The Deputy of
HIS EXCELLENCY
The GOVERNOR-GENERAL IN COUNCIL:

WHEREAS the Minister of Labour reports that it is essential in the interests of industrial peace to clarify the intent and purpose of Order-in-Council dated 16th December, 1940, P.C. 7440.

THEREFORE, The Deputy of His Excellency the Governor-General in Council, on the recommendation of the Minister of Labour, and under and by virtue of the War Measures Act (Chap. 206, R.S.C. 1927) is pleased to amend the said Order-in-Council and it is hereby amended as follows:

1. By striking out Clause (3) thereof and substituting therefor the following:
"(3) The wage rate level paid by the employer during the period 1926-29, or higher level established thereafter but prior to December 16, 1940, shall be considered generally fair and reasonable, except when it is clearly shown that such wage rate level was or is unduly low or subnormal, in which event a Board may recommend such rates as it considers fair and reasonable."
2. By striking out Clause (4) thereof and substituting therefor the following:
"(4) If the present wage rate level established by the employer is lower than the wage rate level established during the period 1926-29 or higher level established thereafter but prior to December 16, 1940, and it is clearly shown that such previous wage rate levels, if restored, would be unduly enhanced or abnormal, any increase in present wage rates in any calendar year shall be limited to 5 per cent. thereof."
3. By striking out clause (5) thereof and substituting therefor the following:
"5. A wartime cost of living bonus separate from and in addition to basic rates shall be paid except for good cause shown to the contrary to all employees as follows:
 - (i) Such bonus shall be based on the increase in the cost of living as measured by the Cost of Living Index prepared by the Dominion Bureau of Statistics for the Dominion as a whole.
 - (ii) The increase shall be measured from August, 1939, or from the effective date (subsequent to August, 1939) of the granting of the last previous increase in wage rates or bonus, which brought the wage rate level (including any bonus other than a cost of living bonus pursuant to the provisions of this section) of the employer up to a fair and reasonable level.
 - (iii) The bonus shall be paid in the first instance only if the cost of living has risen by as much as 5 per cent.; thereafter the bonus shall be increased only if the cost of living has risen by 5 per cent. or more and three months have elapsed since the last previous determination of the amount of the bonus, or decreased only if the cost of living has fallen by 5 per cent. or more and three months have elapsed since the last previous determination of the amount of the bonus.
 - (iv) Subject to the provisions of the last preceding sub-section, for each rise of 1 per cent. in the cost of living the amount of the bonus shall be 25c per week, except for male workers under 21 years of age and female workers, who, if employed at basic rates of less than 50c an hour on jobs which by custom or practice are not ordinarily assigned to adult male workers, shall receive a bonus of 1 per cent. of their basic wage rates."

The Honourable
the Minister of Labour.

A. D. P. HEENEY,
Clerk of the Privy Council.

W. C. COULTER,
Chairman, Industrial
Relations Committee.

J. T. STIRRETT,
General Manager.

Yours very truly,
H. W. MACDONNELL,
Secretary, Industrial
Relations Department.

Canadian Manufacturers' Association

(Incorporated)



Circular No. 1042.

Toronto, July 16th, 1941.

JULY CONVENTION NUMBER OF INDUSTRIAL CANADA

The attention of members is directed very specially to the July number of Industrial Canada, now in your hands. This number contains the record of the 70th Annual General Meeting, held at the Seignior Club on June 9th, 10th and 11th, 1941, and for the following reasons it is suggested that the contents, particularly the sections dealing with war production, labour problems, trade, and the dangers of inflation should be carefully studied by you and the heads of your departments.

1. The 70th Annual General Meeting was a carefully planned and efficiently executed event in a sequence of developments linking the Association closely with Canada's war effort and bringing its influence to bear on problems connected with the country's war production.

2. There was a linking up of Canada's programme with those of Great Britain and the United States through the interchange of information with the High Commissioner for the United Kingdom and officials of the British War Mission and with representatives of the United States Office of Production Management and of the National Association of Manufacturers.

3. There was a very complete disclosure of the progress of Canada's war effort on the production side by the Minister of Munitions and Supply and many of the senior officers of his Department, who brought to the meeting valuable information. They, in turn, received useful information and suggestions from manufacturers engaged in war production.

4. There was a discussion of such pressing wartime labour problems as wages policy, labour supply, conciliation of industrial disputes and prevention of strikes. The discussion was participated in by the senior officers of the Department of Labour in charge of the administration of Canada's wartime labour policy. Following the discussion a deputation waited on the Government to present the Association's views and report back to the Convention. Upon hearing the deputation's report the Convention agreed upon recommendations which were presented to the Government on the same day.

5. There was an informative trade session, opened by the Minister of Trade and Commerce and participated in by officers of his Department, trade commissioners and others interested in the trade of the country.

6. There was finally an address on "The Economics of an All-out War Effort" by a distinguished British economist, Dr. Brinley Thomas, who warned against the dangers of inflation.

The July Number of Industrial Canada presents all this material to the members of the Association in readable form and enables those who were unable to be present at the meeting to have the benefit.

Yours faithfully,

WALTER C. LAIDLAW,
Chairman, Publishing Committee.

J. T. STIRRETT,
General Manager.

D. B. GILLIES,
Manager, Publishing Department.

W. A. CRAICK,
Editor, Industrial Canada.

The last
6" Shells

July 17th, 1941.

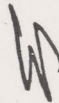
Mr. D. C. Keefe,
President,
Ingersoll-Rand Company,
New York, N.Y.

Dear Dan:-

6" Shells

The last 6" Shell left Sherbrooke Pneumatic
Tool Company during the past week-end and Mr. Mr. Young
held a celebration on Sunday night to mark the occasion.

Yours very truly,



(E. Winston Spragge)

EW-S/EG

First Vice-President



1404 Montreal Trust Bldg.,
67 Yonge Street,
Toronto 2, Ontario,
August 5, 1941.

E. Winslow-Spragge, Esq.,
General Manager,
Canadian Ingersoll-Rand Co. Limited,
New Birks Building,
Montreal, Quebec.

Dear Mr. Winslow-Spragge:-

Circular No. 1045, August 1st, 1941,
Labour Relations in War Production

This will acknowledge receipt of your letter of the 4th instant, addressed to the General Manager, in regard to the above mentioned subject.

We thank you for the comments in your letter and we are glad to know that the action taken by the Association meets with your approval. The subject is constantly engaging the attention of the Industrial Relations Department and the Industrial Relations Committee.

Yours faithfully,

General Secretary.

JMM/FM.

E. W. seems to have written letters on every subject to C.M.A.

August 4th, 1941.

Mr. J. T. Stirrett,
General Manager,
Canadian Manufacturers' Association,
1404 Montreal Trust Building,
Toronto 2, Ontario.

Dear Mr. Stirrett:-

Circular No.1045, August 1st, 1941.
Labour Relations in War Production.

We are glad to have the above circular letter including telegram sent to the Prime Minister. It has been very difficult for private individuals to withhold criticism of the Government of their handling the situations at National Steel Car, Arvida and Dominion Coal. In any comment it would be impossible not to question forcibly the fitness of Mr. McLarty, Minister of Labour, to handle anything requiring firmness and courage. Such information, as we have got, all tends to condemn the handling by the Labour Department of these three jobs. Particularly in the Arvida case, the plea is made that the trouble was merely due to a group of ignorant and unorganized people getting out of hand. If such a plea is recognized as being valid, anything can happen.

In the last war and possibly in this war many manufacturers in both the United States and Canada employed for the duration of the war secret service operatives and I believe that in 99 cases out of 100 not one of these operatives was ever suspected either by the managerial staff or by the other workers. If this could be so successfully accomplished, it appears obvious that similarly discreet operatives could be, and probably are being employed by our enemies unknown to either the managerial staff or other workers. So that it should not require proof that a group of 300 men are interested only in their own welfare and do not intend to help the enemy. Such a group should be held individually and collectively responsible for their actions even if they have been tricked into these actions by subversive forces unknown to them. Any man allowing a ship to founder or a mine to flood, by refusal to man the pumps, should be dealt with as a traitor and surely any man allowing the pots to cool, as at Arvida, should be treated in the same manner. Many of us are waiting with impatience for the proof which we expect that nothing whatever, except political talk, will be done by the Government at either Arvida or Dominion Coal. What they will do at Hamilton is also a matter of grave concern.

Page two

Mr. J. T. Stirrett.

August 4th, 1941.

I hope that in all three cases the Canadian Manufacturers' Association executives will consult with their members and will continue to protest against the weak-kneed attitude which is bound to get us into serious difficulties if not promptly corrected.

Yours very truly,

CANADIAN INGERSOLL-RAND CO. LIMITED

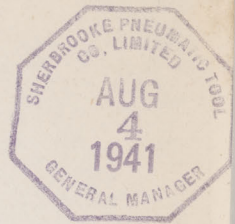
W

General Manager.

EW-S/EG

Canadian Manufacturers' Association

(Incorporated)



Circular No. 1045.

1404 Montreal Trust Building,
67 Yonge Street,
Toronto 2, Ontario,
August 1st, 1941.

Dear Sir:—

The following telegram was sent by the President to the Prime Minister and other Members of the War Cabinet and the Minister of Labour after a meeting of the Executive Committee of the Association, in Toronto, on July 30th:—

"I respectfully recall my telegram of June eleventh to you and the written statement submitted to you and your colleagues on May 5th describing the most serious situation in labour relations particularly in war production and the danger of even greater developments. In both these as on many previous occasions emphasis was placed on the very real danger of the wilful restriction of war production by small groups who are endeavouring to get control of important war industries for their own purposes. The serious occurrences of the past few days in Nova Scotia, Quebec and Ontario, confirm what we have said. These are causing great concern not only to manufacturers and the great majority of their employees, but also to all other loyal citizens of Canada. We earnestly urge your Government to enforce the laws of Canada against these small groups. The great majority of industrial employees are absolutely loyal and anxious to co-operate to their utmost ability in Canada's war effort. We strongly recommend that the powers given by Order-in-Council passed under the War Measures Act yesterday be used swiftly and firmly to prevent sabotage, deliberate slowing down of output and the fomenting of illegal strikes."

The Executive Committee also dealt with Order-in-Council 7440, as amended by Order-in-Council 4643, Association's circular No. 1039, dated July 4th, 1941.

Following the Annual General Meeting of the Association in June, the Executive Committee has been studying the above Order in consultation with the Executive Committees of the Divisions and the Industrial Relations and Legal Committees, and has made representations to the Government from time to time.

After studying the opinions of the Division Committees, the Executive Committee, at the meeting in Toronto, on July 30th, asked the Industrial Relations Committee to prepare additional recommendations in regard to Order-in-Council 7440, based on the opinions received and on the new conditions which have arisen, with a view to making the Order a more effective instrument for eliminating to the greatest possible extent industrial unrest leading to demands for boards of conciliation and threats of strikes, and to interview the Minister of Labour and the Minister of Munitions and Supply in regard to such recommendations at the earliest possible date.

Yours faithfully,

HAROLD CRABTREE,
President.

J. T. STIRRETT,
General Manager.

J. M. McINTOSH,
General Secretary.

Stirrett
Aug 4/41

Record

Bombs

August 11th, 1941.

Mr. D. C. Keefe,
President,
Ingersoll-Rand Company,
11 Broadway,
New York, N.Y.

Dear Dan:-

I think you will be pleased to note from the attached letter that even if our bomb lathes were an expensive luxury they are now working splendidly. The original estimated capacity was 16 bombs per 8-hour day. You will notice that with one operation eliminated they have already hung up a record of 25 bombs per 8-hour day.

Yours very truly,

W

First Vice-President.

EW-S/EC

The Canadian Institute of Mining
and Metallurgy

PRESIDENT
WILBERT G. MCBRIDE
MCGILL UNIVERSITY
MONTREAL, QUE.



FIRST VICE PRESIDENT
AUG
28
1941
HEADQUARTERS AND LIBRARY
906 DRUMMOND BUILDING,
MONTREAL, QUE.
CABLE ADDRESS, "CAMIN, MONTREAL".
SECRETARY-TREASURER
E. J. CARLYLE

August
Twenty-seventh
1941

F. A. McLean, Esq.,
Canadian Ingersoll-Rand Co. Ltd.,
800 New Birks Building,
Montreal, Que.

McLean

Dear Sir:-

May I congratulate you and your colleagues on
your very fine use of the cover of our August Bulletin?

Our readers everywhere must have been struck
by the excellent taste and effectiveness of the page.

Undoubtedly, it won universal approbation.
My immediate reaction upon seeing it was "Well done
Canadian-Ingersoll Rand!"

Sincerely yours,

E. J. Carlyle
Secretary-Treasurer.

EJC:EMC.

c.c. to E. Winslow-Spragge.

W

CANADIAN INGERSOLL-RAND COMPANY LIMITED



Office of
WORKS MANAGER

SHERBROOKE September 12th, 1941.

Attention Mr. E. Winslow-Spragge

File No.- Personal -

To - General Manager - MONTREAL OFFICE -

Subject

*Adding to
foundry etc*

Parts Extensions

Dear Sir:

Thanks for yours of September 11th, advising Mr. Keefe expects to spend Tuesday, September 16th, in Montreal with you, and for which meeting we give you the following in answer to your questions:-

FOUNDRY BUILDING EXTENSION

Up to a short time ago, our Foundry production equalled or exceeded our machine shop requirements, but for the last few weeks the machine shop has been consuming castings beyond the production rate of our Foundry. The heavy program ahead of us on marine engine cylinders, together with the tremendous unforeseen volume of XVH business in the past five months has overtaxed our Foundry so that the extension to the Foundry is unquestionably necessary.

Certain classes of our castings could be obtained from outside sources, but past experiences have convinced us that air cylinders, compressor frames, and a large number of our other products are difficult for outside foundries, and heavy losses would result until these foundries had gained experience with our work under our direction, consequently the tonnage we could obtain of our requirements from outside would be comparatively small to start with.

The extension of 75' x 100' would have to be made at one time and not in two bites. If we proposed extending beyond this, it could

Personal
General Manager

-2-

September 12th, 1941.

be done in two bites, but would entail additional expense due to having to put in a temporary west wall, which later would be removed.

We have not yet received a quotation on the Sand Screening equipment which was requested August 18th, and has been followed up in the interval. To-day we are telegraphing to ascertain when quotations can be expected.

MACHINE TOOLS APPROPRIATIONS

All requisitions for additional machine tools for #2 Shop, #3 Shop and the Tool Room were mailed to you last night, and will be available for your discussion with Mr. Keefe.

INCREASED BURDEN.

There are three main items that have contributed to the high burden:-

- A. Heavy overtime charges which have averaged \$8,524.00 per month over the past six months.
- B. General expense charges resulting from improvements following additions to buildings and re-arrangements in departments, also a willingness on our part to give Shop Foremen more or less of a free hand in ordering requirements for their department, which involved expense.
- C. The addition of a large office staff in every department to cope with the increasing work and the inefficiency at first of such inexperienced staff.

In connection with "A"- Overtime - we are taking definite steps to endeavour to reduce this by the addition of more productive men on standard time, which will result in straight pay replacing time and a half.

In connection with "B" - General Expense - Building and additions is coming to a close and expense items of major importance are being carefully scrutinized to avoid undertaking any unnecessary work and we expect from now on to gradually reduce some of the expense labour gangs.

Personal
General Manager

-3-

September 12, 1941.

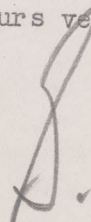
The reduction of some expense material will be a natural ~~con~~sequence.

In connection with "C" - Excessive Office Staff - While it may be possible to reduce this, it can only be done very gradually and after careful consideration. We have already adopted a policy of no department head being able to replace a person who leaves, without the approval of the Controller and the Works Manager. Certain departments are working two shifts, some of which are efficient and some of which are very inefficient. An effort will be made where office space is available, to reduce the inefficient night shifts by transferring them to day shift where they will receive better supervision. Serving tea in the morning and afternoon and evening accounts for upwards of two points of our burden, due to excessive loss of time. We will endeavour to control this to a reasonable point.

In this same category we might include shop salaried people, such as General Foremen and Sub-Foremen who are paid for all hours worked. We are considering the advisability of putting all these people on a straight salary basis, equitable with their recent average earnings, but in most cases slightly under such a figure. I believe the Foremen would welcome being put on this basis. We might also consider it advisable to apply this to the office salaried list.

We feel confident a definite trend of improvement will be shown in the burden figures for September and October, which we cannot very well expect to be anything but gradual.

Yours very truly,



Works Manager.

PHSkelton/MH.

September 11th, 1941.

Mr. P. H. Skelton,

Personal.

Works Manager, Sherbrooke.

Dear Sir:-

For your information Mr. Keefe expects to spend Tuesday, September 16th, in Montreal when he will expect to follow up the matters initiated by Mr. Les Hopton on his last visit. Three of the matters which I have prominently in mind are ----

Foundry Building Extension.
Machine Tools Appropriations.
Increased Burden.

1. Foundry Building Extension.

Have you got anything to add to what has been said about the proposed foundry extension? Is it all necessary in order to avoid delaying our machining of products in No.2 Building when using our existing machinery or does it not come into usefulness unless capital expenditure approvals are received for the additional equipment asked for ?

Up to the present time has not the foundry fully kept pace with the machine shop requirements ? Have you exhausted every effort to obtain castings outside? Could we profitably make the extension in two bites; one half to be spent and amortized in 1941 and one half to be spent and amortized in 1942 after we have gone far enough to be assured of being in the 75% bracket for 1942.

I think you should try and get in to me the final requisition for a sand sifter or whatever it was, so as to complete the equipment requisitions for the foundry.

2. Machine Tools Appropriations.

It looks to me as though I will probably hold the machine tool appropriations in Montreal for Mr. Keefe on Tuesday. I would like to have them complete and in presentable form by Saturday or Monday so that I can be studying them.

3. Increased Burden.

You have been sending me in these Operating Summaries, or possibly I should say that your clerical staff have been sending me these Operating Summaries and other data, and regardless of how great may be the changes in figures you do not either boast about them, when they are good, or make any explanation about them when they are bad. Possibly this may be my fault and that I should ask you to come in with the figures once a week or once a month as is done by Smith and Bentley of the American shops. In discussing this same subject with Mr. Lunderville, he would only say that the added expenses are so general that they cannot be considered profitably individually and yet this is not so because, for example, we did locate items of \$8500, items of \$2000 and items of \$1000 by specifically searching for them and I still think that in a similar manner you can find specific items peculiar to July and August which you either can, or cannot, undertake to eliminate to September and October. I would, at least, like you to pick out some ^{items and some} categories of items and suggest a different programme in September and October.

Yours very truly,

W-S
General Manager.

EW-S/EC

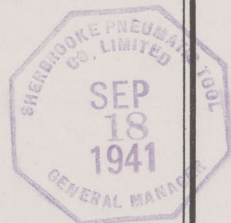
Foreign Exchange Control Board

BULLETIN No. 2

EXPORTS OF GOODS

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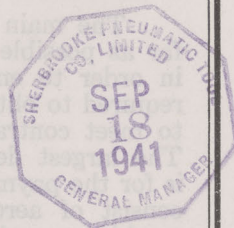
Foreign Exchange Control Board

BULLETIN No. 3

IMPORTS OF GOODS

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IMPORTS OF GOODS

1. GENERAL PRINCIPLES

The main purpose of foreign exchange control is to balance as far as possible Canada's income and outgo of United States dollars in order to ensure that United States dollars will be available as required to obtain vital war and other imports and at the same time to meet contractual obligations payable in United States currency. The largest demand upon Canada's United States dollar resources is for the payment of goods imported into this country. These goods consist of aeroplanes and other equipment for our armed forces, machinery and materials essential for the establishment and operation of our war industries as well as those commodities which are essential to carrying on the civilian life of Canada. In providing United States dollars to pay for these imports, it is important for the Foreign Exchange Control Board to know that the goods have actually entered Canada or will be received within a reasonable time and that the payments made are not in excess of the fair value of the goods.

The necessary control over payment for imports is obtained by requiring importers to substantiate every payment for goods imported or to be imported into Canada with evidence that the importation has been made and of the cost of the goods. For this purpose, every importation requires a "licence" issued by a Collector of Customs and Excise on behalf of the Foreign Exchange Control Board at the time of entry through Customs. The Board does not exercise any control over the kinds of goods which may be imported and its "licence" serves merely as evidence that the goods have been imported legally into Canada. The Board's "licence" does not, however, authorize any importation which is prohibited or which requires a licence or permit under any other law, *e.g.* under the War Exchange Conservation Act, 1940.

The Board is also concerned that payment for imports to Canada should be made in the proper kind of foreign exchange. Goods imported from the United States and other non-sterling area countries may ordinarily be paid for only in United States dollars, whereas goods imported from sterling area countries may be paid for in sterling, of which Canada has a surplus, or in Canadian dollars. Accordingly, in order that Canada's available United States dollars may be conserved to pay for goods that can be obtained only in the United States or other non-sterling area countries, the only foreign currency which may be used to pay for goods imported from any country in the sterling area, whether directly or indirectly, is sterling or the currency of a sterling area country.

EXPORTS OF GOODS

1. GENERAL PRINCIPLES

The main purpose of foreign exchange control is to balance as far as possible Canada's income and outgo of United States dollars in order to ensure that United States dollars will be available as required to obtain vital war and other imports and at the same time to meet contractual obligations payable in United States currency. Exports are Canada's largest source of United States dollars and it is a fundamental principle of exchange control that all exports from Canada to the United States and to all other countries outside the sterling area should produce United States dollars or foreign currencies which may be freely converted into United States dollars and that such United States dollars be made available to the Foreign Exchange Control Board. Payment for exports to countries in the sterling area may be obtained in any foreign currency or in Canadian dollars since the operation of similar Exchange Controls in those countries ensures that Canadian dollars used to pay for exports from Canada have been derived through properly authorized channels.

In order that the Board may ensure that Canada's exports do make available the proper kind and amount of foreign exchange, it is necessary for it to know what exports are being made and when and by whom payment for such exports has been or will be received. For this purpose a "licence" is required for every export of goods from Canada. This licence has been consolidated with the export entry form required by the Canadian Customs for the export of goods and is issued by the Collector of Customs and Excise on behalf of the Board at the time the relative Customs export entry is filed with him, although in some cases the approval of an Authorized Dealer (that is, the bank in Canada with which the exporter ordinarily does business) or of the Board is required before the Collector can issue the licence.

The Board does not exercise any control over the kinds of goods which may be exported and its licence serves merely as a declaration that goods have been legally exported from Canada, of the kind and amount of payment which has been or is to be received and of the time when such payment has been or will be received. The Board's licence does not authorize any export which is prohibited or for which a licence or permit is required under any other law.

2. APPLICATION FOR LICENCE TO EXPORT GOODS— FORM B

A licence on the Board's Form B is required for every export of goods from Canada for which the Customs authorities ordinarily require a Customs export entry but is not required in any other case.

In particular it should be noted that no Customs export entry and therefore, no licence on Form B is ordinarily required for the export of :

- (a) Travellers' baggage, including a non-resident tourist's automobile, travelling, camping and sporting equipment and bona fide tourist purchases taken out of Canada by and with a non-resident tourist.
- (b) Goods of a value not exceeding \$5 per shipment exported by mail, express or freight.
- (c) Gifts to members of the Armed Forces of the British Empire or its Allies, irrespective of value.

Customs export entry form B. 13 and the Board's Form B are combined in one form and one set of at least five copies of this combined form for each carload or lesser shipment to a single consignee must be completed by the owner of the goods or by his agent and delivered to the carrier accepting the shipment for export. The carrier will hand the complete set to the Collector of Customs and Excise at the frontier port of exit prior to the exportation of the goods, *i.e.* at the last port in Canada through which the goods pass outwards for places outside Canada when exported by land and at the port where laden on the exporting ship when exported by water. When stamped and signed by a Collector of Customs and Excise in the circumstances outlined in Section 3 below, the Form B constitutes a licence from the Board for the export of the goods from Canada.

In completing Form B, the owner of the goods or his agent must, in addition to other particulars, insert in the appropriate spaces the kind of payment which has been or will be received and the name and address of his Authorized Dealer. The Collector of Customs and Excise returns one copy to the exporter, sends one copy to the Authorized Dealer named and one copy to the Board in order that they may ensure that any foreign exchange to be made available as a result of the export has been or is later received and sold to the Authorized Dealer.

When it is impossible for an exporter of goods by rail or water transportation to complete all the particulars required on Form B before the goods are ready for export, the Collector of Customs and Excise may permit the goods to leave Canada upon having submitted to him two copies of Form B for each carload or lesser shipment as a temporary export entry. The terms of settlement need not be shown on these forms. This temporary entry must be replaced by one complete set of Form B for each shipment to a single consignee within six days of the date of the temporary export entry.

Unless specially authorized by the Board, a licence on Form B does not authorize a shipment on consignment but the Board does