

# Some Increases In Hollinger Contracts

Following is part of the official statement issued to mine employees at Hollinger when the increases in contract rates were announced late last week. We print it to acquaint all miners in the Porcupine with the exact figures on which Hollinger employees will now work.

Last December the company undertook to investigate the bonus system underground in an effort to find out if it was inequitable and how it could be fixed. It has turned out to be a very big task.

There is no use making changes unless we know that they are at least steps in the right direction and will ensure for employees equal pay for equal effort. The Production Engineering Department was given the job of carrying out the investigation. They have got part of the job done now and following discussions with supervision it has been decided to make some changes in the hand mucked cut and fill stope rates on January 2, 1948. Other rates will be changed just as soon as facts and figures are available to do so.

### Limitations of Changes Being Made Now

(a) In the underground operations at Hollinger there are several distinct types of contract work. These can be broken down into several categories.

(b) The investigations to date have been confined chiefly to the production part of hand mucked stoping. Since these investigations have revealed places where men receive different rewards for equal effort, the company has decided that each part of the operations should be corrected as rapidly as the collection and analysis of adequate information will permit. At this time, sufficient information has been analysed to allow only changes to be made in the production work of hand mucked stopes.

Tentative dates have been set for correcting some of the other operation rates. It is hoped that changes in mechanically mucked cut and fill stopes and diamond drilling will be made by January 28th, 1948. Changes in drifting, raising and stope development should follow by February 25th, 1948.

**Comparison of Old and New Rates**  
(a) The schedule of old rates in effect for cut and fill stopes are:

Breaking 0.45 per ton; Mucking 0.45 per ton; Filling 0.10 per ton; Total \$1.00 per ton.

(b) The schedule of new rates for cut and fill stopes is attached. They will become effective January 2, 1948.

(c) The following are examples comparing the rates.

Conditions		New Rate		Old Rate	
		(Per ton)		(Per ton)	
		(Cost of living added)		(Cost of living added)	
(1) Stope width—6 feet					
muck loaded fill					
muck trammed					
Breaking	0.87	0.45			
Mucking	0.52	0.45			
Filling	0.17	0.10			
Total	\$1.56	\$1.00			
(2) Stope width—6 feet					
non-load muck					
free run fill					
Breaking	0.87	0.45			
Mucking	0.28	0.45			
Filling	0.10	0.10			
Total	\$1.25	\$1.00			

(3) Stope width—6 feet		(6) Stope width—12 feet	
free run muck		non-load muck	
fill trammed		free run fill	
Breaking	0.87	0.45	0.58
Mucking	0.17	0.45	0.28
Filling	0.17	0.10	0.10
Total	\$1.21	\$1.00	\$0.96
(4) Stope width—6 feet		(7) Stope width—12 feet	
Waste left for fill		free run muck	
Breaking	0.87	0.45	0.58
Filling	0.15	0.15	0.17
Total	\$1.02	\$0.60	\$0.75
(5) Stope width—12 feet		(8) Stope width—12 feet	
Muck loaded		Waste left for fill	
Breaking	0.58	0.45	0.58
Mucking	0.52	0.45	0.15
Filling	0.17	0.10	0.15
Total	\$1.27	\$1.00	\$0.73

It should be noted that at present labor is charged against a stope number at 6.00 and \$5.44 per shift. Under the new rates labor will be charged against a stope number at \$6.80 and \$6.24 per shift.

**Purpose of an Incentive Plan**  
(a) The fundamental purpose of an incentive system is to offer a financial incentive for a worker to produce work of acceptable quality over and above a specified quantity. The benefit which the Company derives through this increase in production is achieved from a decrease in overhead costs. This is an important feature of the plan. A man gets so much per unit of work no matter how many he produces.

Obviously, to establish the specified quantity of work required, it is necessary to measure accurately the standard of performance. Only this will result in an optimum incentive system. That is, the closer the rate approaches the true cost of the job, the more exact the control of the operation by the company and the greater is the effectiveness of the incentive. Thus the only true basis for incentive standards is through a time study of the operation. If it is not the basis, the objective is an estimated goal of attainment rather than a measured standard for a definite condition. As we stated previously, the necessity of immediate rectification of the present incentive system precludes the use of a lengthy time of study in the solution of our problem. As a result the nearest approach to the standard can only be a goal which must be subject to revision (as was stated earlier).

(b) A man is paid in his base rate for a standard day's task, (amount of work) requiring certain skill, effort, knowledge, and responsibility taking into consideration conditions under which the job is done. An incentive plan is based on paying a man a certain sum for each unit of work performed. The new incentive rate (contract rate) will reward men in an equal amount for equal effort and time regardless of the task. For example, for the same amount of effort and time a man can shovel more muck directly into a millhole than he can by loading into a car, tramping it to the Company.

millhole and dumping it. Under the new rates this is considered and a man will receive more money per ton for the second task than he will for the first. One further point: A statement of what the Company undertakes to do and what the employee must undertake to do to earn incentive pay is being prepared and a copy will be available for all employees involved. If an employee is held up and prevented from doing any productive work because of the Company failing to do his share, the time so used will not be charged against the contract. The employees will be asked to elect a Committee (one man from each Captain's section) to go over these terms of payment of incentive with the

## Must Produce More at Reduced Costs To Restore Dollar's Purchasing Power

### 77th Annual Meeting of Shareholders THE DOMINION BANK

#### Regimentation Not Needed Here; Free-Join Our Best Wealth; Must Strengthen Defence, Says Pres. C. H. Carlisle

Record Assets of \$360,524,670, Increase in Loans, Deposits, Gen.-Man. Robt. Rae Reports

#### All Citizens Urged to Aid in Measures to Balance Our Trade Payments

Mr. Rae said that after making an appropriation to Contingency Reserves, \$1,254,756 for Dominion and Provincial Income and Corporation Taxes and \$214,766 for depreciation of Bank Premises, the net profits aggregated \$971,678, an increase of \$110,909. Regular dividends of \$700,000 left \$271,678 to add to Profit and Loss Account.

The Directors had decided to transfer to Reserve Fund \$1,000,000, placing the Reserve Fund at \$10,000,000 in relation to Paid-up Capital of \$7,000,000, and leaving Profit and Loss Account at \$632,413. Total Assets had increased by over \$20,000,000 to \$360,524,670—a new high point.

#### Increase in Savings Deposits

Deposits increased by over \$17,000,000 to \$323,277,655, showing a growth in the savings of the Bank's customers of about \$23,000,000. Demand deposits were practically unchanged; Dominion Government deposits declined by over \$6,600,000.

Immediately available Assets, including cash, security holdings and Call and Short Loans at over \$211,621,000, were down but remained proportionately high at 63.94 per cent of public liabilities. Cash assets increased to \$64,331,000, or 19.44 per cent of liabilities.

#### Loans Show Marked Increase

Security holdings decreased by about \$30,000,000 to \$138,803,839, made up chiefly of Dominion and Provincial securities of \$125,007,105, the former having declined by over \$30,000,000.

Current Loans in Canada increased about \$38,000,000 to \$127,584,597, of which grain loans accounted for nearly \$11,000,000. The lively tempo of business continued to require larger bank credit, the swing from Government to private financing being most gratifying.

Concluding, Mr. Rae said: "We live in grave times. International trade and, consequently, international finance, are in a chaotic condition due to the almost complete debilitation of Europe as a result of the war. Conflicting social and political philosophies confound the people and the nations. Canada has not escaped unscathed. The need to balance our foreign payments position is acute. Our government must take the lead in prescribing remedies and many of us will not relish the prescription. Our financial illness, however, is beyond the power of government alone to cure and each one of us must so arrange his affairs as to contribute to the correction of this situation. In this your Banks will do their part."

#### MR. C. H. CARLISLE, PRESIDENT, DISCUSSES CURES FOR OUR PRESENT SITUATION

In his address to the Shareholders, the President, Mr. C. H. Carlisle pointed out that compared with the average value for the years 1935 to 1939, on general wholesale commodities and Canadian farm products "your dollar has depreciated in its purchasing value 45 per cent. This material loss, silently and unrelentingly incurred, is sustained by you and by all. Why has the purchasing value of your dollar decreased? Largely through the high cost of living, due principally to insufficient volume of production and higher costs of production."

Mr. Carlisle reviewed the facts of increased costs and lowered production in the building trade and in the coal, oil and transportation industries.

A report recently compiled by employers in sixty cities in the United States had shown that, as compared with 1940, building trades workers turn out 38 per cent less work per hour, on an average, get 76 per cent more pay, and material costs were up 93 per cent and still rising. In Canada the selling price

of a medium priced home was more than twice that of pre-war days. Production costs of mining in ten principal mines in Pennsylvania showed wage increases alone were 219.3 per cent more than in 1939. Oil production cost had also materially increased; and to replace a locomotive previously purchased for \$50,000 would now take almost four times that amount.

#### Illogical and Uneconomical

"The demand which has existed for many years, and is now enforced, for higher pay and less production is illogical, uneconomical, and adversely affects the welfare of all our people—and especially in progressive degree, as time goes on, of the workers themselves—and is largely the cause of our present inflation. The same tendency has of late become prevalent in the matter of executive salaries. Moderation and self-restraint are just as essential as in all other spheres."

Another cause of dollar depreciation was "the appalling and unnecessary loss due to strikes which adds multi-millions to your cost of living. It is difficult to comprehend why such losses should exist, as out of industry and production the employee draws his pay, the company its profits, the shareholder his dividends, the Government its taxes and the people their maintenance. Is it not crystal clear that the welfare of all depends upon co-operation?"

#### Labour A Powerful Influence

"It is encouraging to note that labour organizations are purging themselves of a radical, disturbing and destructive element. This accomplished, organized labour can be a powerful influence—and my thought is that it will be—in increasing production and reducing costs, thereby aiding in extending both domestic and foreign markets. Such co-operation would be collective development. The restoration of the value of your dollar depends almost entirely upon greater production and lower costs."

Subsidies do not decrease the costs to the people as a whole, said Mr. Carlisle. "A subsidy is not a gift by the Government. The Government passes this charge on to you. You pay the subsidy."

#### No Need to Socialize Our Banking System

Mr. Carlisle answered the reasons advanced by the Research Department of the C.C.F. for nationalizing the Chartered Banks, and continued:

"The Chartered Banks and their branches give an adequate service throughout Canada, even in sparsely settled localities. They give a foreign service wherever Canadians transact business. Rates are more stable than in most other countries. The Banks are free from political control. Our people have a greater protection and freedom of choice, as they have ten Banks from which to choose instead of one political, nationalized bank. What has socialization, untried as it is, to offer that one would choose to change from our present banking system?"

Referring to the sixty-one objectives enumerated by the C.C.F. Convention (Ontario Section) as its "First-Term Program," Mr. Carlisle said:

"While Government co-operation to attain certain of these results may be desirable and has, indeed, been given with increasing generosity over many years, this program is very elaborate and decidedly expensive. It is regrettable that no dependable estimate and, indeed, no estimate of any kind of its cost was made, nor is any plan mentioned showing how the money is to be provided to pay for the services suggested. This is really your job, Mr. Taxpayer, and it is quite a bill for you to pay. However, if this scheme were implemented, there would be many thousands of people now in a position to provide for themselves against adverse conditions and the necessities of old age, who would choose to become wards of the State."

#### Freedom the Greatest Wealth

"Freedom is the greatest wealth that one can possess. We in Canada do not fully appreciate it as we have not been deprived of it. Many nations that once were free are not free today. That freedom has been greatly restricted, or entirely blotted out,

by Socialism, Facism, Nazism or Communism. These different 'isms' differ in their operations, but they have one thing in common—regimentation.

"Free people cannot exist where regimentation exists. There are certain groups of citizens residing in free countries who, with no disloyal intention believe in a state socialism, which is a state dictatorship, achieved by political means—the educational program, to quite an extent, being carried on through churches, schools, institutions of higher education and labour unions. The socialization which they advocate, wherever tried, has failed. It is contrary to the concept of free government."

#### Threat of Power Lust

"Throughout history there have been men who have had an inordinate lust for power. War was their weapon. The results, their own ruin, the misery of their people and the devastation of their country. Men of lust have not passed. The world is troubled with them today. The world's equilibrium and safety is in great danger. Russia is the principal factor in an attempt at world domination. Her plan is now quite apparent. It seems a waste of time to attempt to harmonize the ideologies of Communistic Russia with those of a democracy and free people. Lenin, in his statement of policy states: 'It is inconceivable that the Soviet Republic should continue to exist for a long period side by side with Imperialistic States. Ultimately one of the other must conquer.' And again, 'It is necessary to use any ruse, cunning, unlawful method, evasion, concealment of truth to serve Communistic ends.' These are the tactics used by Russia's boasted 12,000,000 Communistic organizers in different countries throughout the world. Russia's unwarranted use of the 'veto' prohibited the re-establishment and rehabilitation of the devastated countries. Her broken promises, her insulting and often untrue accusations of former allies, her increased military power, her looting of countries over which she had control and the building of military forces

in these countries, would not indicate that she is a friendly ally.

#### Our Military Weakness Again Makes War Possible

"We had full knowledge of Kaiser Wilhelm's ambitions for conquest. We knew the military preparations he had made. But, owing to our allies' and our own inaction and our military weakness, the first world war was made possible. Similar conditions caused the second world war—the ambition of conquest, the careful building of a strong military machine, the infiltration of well-trained spies and propagandists by which the countries under plan of attack were weakened and disorganized. Again, our military weakness made a second war possible.

"Are not our conditions today almost identical to those to which I have referred?"

#### World Shocked by Results of Communistic Intrigue

"We and the countries associated with us have not made adequate protection for ourselves in building a dominant military organization. If we were strong there would be no war arising out of the present conditions. Devastated countries would be reconstructed, their liberties restored and their people returned to normal conditions. The world is shocked at the results of Communistic propaganda and intrigue in Italy and France. It has brought these countries to the brink of Civil War, and is undermining their very existence.

"Communism or any other kind of 'ism' cannot give you the freedom and plenty you now enjoy. It is your privilege and duty as an individual to protect your freedom.

#### Foreign Exchange Position Acute

"The population of a country is the sum total of its individuals. It is they who, in a free country, choose their government and establish its policies. Today you have the privilege to act in common, whereby you will have the strength and power to choose between freedom and servitude."

## THE DOMINION BANK

Condensed Statement as at 31st October, 1947

ASSETS	
Cash on Hand and in Banks, including Bank of Canada	\$ 64,331,826
Deposit with Minister of Finance	40,394
Government and Other Securities	138,803,838
Call Loans	8,445,633
Total Quick Assets	\$211,621,691
Commercial Loans and Discounts	131,352,952
Bank Premises	5,342,528
Liabilities of Customers under Letters of Credit, Acceptances and Sundry Other Assets	12,207,499
	\$360,524,670
LIABILITIES	
Deposits	\$323,277,655
Deposits by other Banks	6,814,545
Notes in Circulation	677,444
Letters of Credit, Acceptances and Sundry Other Liabilities	12,122,613
Total Liabilities to the Public	\$342,892,257
Capital Paid Up	\$ 7,000,000
Reserve Fund	10,000,000
Undivided Profits	632,413
	\$17,632,413
	\$360,524,670
PROFIT AND LOSS ACCOUNT	
Profits for the year ended 31st October, 1947, after making appropriations to Contingency Reserves, out of which full provision for bad and doubtful debts has been made	\$2,441,201.02
Provision for depreciation of Bank Premises	214,766.12
	\$2,226,434.90
Provision for Dominion and Provincial Taxes	1,254,756.79
	\$ 971,678.11
Dividends at the rate of ten per cent per annum	700,000.00
Amount Carried Forward	\$ 271,678.11
Balance of Profit and Loss Account, 31st October, 1946	1,360,735.08
	\$1,632,413.19
Transferred to Reserve Fund	1,000,000.00
Balance of Profit and Loss Account, 31st October, 1947	\$ 632,413.19

C. H. CARLISLE, President

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