

**REORGANIZATION OF  
INDUSTRIES IN THE  
CANADIAN PENITENTIARY  
SERVICE**

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**ACQUISITIONS**

RE-ORGANIZATION OF INDUSTRIES  
IN THE  
CANADIAN PENITENTIARY SERVICE

GENERAL

This paper provides a fairly clear picture of what has occurred, what is occurring, and what is about to occur, in the operation of industrial activities in the Canadian Penitentiary Service.

BACKGROUND

Records of so-called industrial activities date back to 1835 when the first known report of such activity recorded the assignment of six inmates to a stone cutting industry in the old Kingston Penitentiary. During the years between 1835 and 1960 many such so-called industrial activities were established and operated in small, cramped, dimly lighted and ill-equipped workshops for utilitarian purposes-- to provide the needs of the institutions-- on a "make work" basis to provide employment (marginal) for the inmate population and to reduce idleness. These activities and the operation of farms, the construction and maintenance of penitentiaries (by inmate labour), the operation of food preparation services and laundries, plus small academic programs were, essentially, all the activities available for inmate employment and as these activities were insufficient for the employment of all inmates, a degree of idleness prevailed.

Through the years several efforts to increase inmate employment and reduce idleness were less than effective.

One of these efforts involved an arrangement made in the late 1800's through which a limited number of commercial entrepreneurs were allowed to enter into low cost contractual agreements with prison Wardens for the labour of inmates. Under this scheme, selected commercial firms were allowed to operate workshops in penitentiary buildings, inside institutional walls, in which inmates were required to work--under contractors' supervision--on the production of goods for sale by the contractor, at commercial prices for private gain.

While this arrangement provided some needed inmate employment for a short period, by the turn of the century this scheme had fallen into disrepute and had been justly criticized on grounds of favouritism in the selection of contractors, excessive profiteering, the use of slave convict labour for private gain, etc., and it was, quite wisely, abandoned in the early 1900's.

Some years later, in 1920, a Royal Commission, in the course of studying ways and means of improving the operation of penitentiaries, recommended that the federal government provide the institutions with a market for their manufactured products. This resulted in the approval and promulgation of Privy Council order no. 1760 on June 21st, 1921. While this order was very well intended, it was not effective, partially due to fear, apathy and a lack of confidence in the penitentiaries' ability to produce acceptable goods on the part of potential client departments, and partially due to the penitentiaries' inability to produce and deliver products, of a quality comparable to those available commercially, in time to satisfy clients' requirements.

During World War II, a fair amount of inmate employment was provided through the production and supply of remarkable quantities of goods to aid the War effort and the general cause of National Security; however, this work lapsed with the cessation of hostilities.

Vocational Training (now known as Technical Training) was introduced under Industries' jurisdiction into selected institutions in 1947; however, this did not appreciably reduce inmate idleness and the Penitentiary Service continued to be plagued with a serious unemployment and inmate idleness problem.

Early in the 1950's, the then Prime Minister, the Right Honourable Louis St-Laurent, who, having earlier been the Minister of Justice was aware of and concerned about the plight of the Penitentiary Service, appointed a Cabinet Committee on Prison Labour for the purpose of developing adequate, long-range and stable federal government markets for Canadian Penitentiary Service industrially manufactured products with the object of providing a firm base on which to organize and operate large productive industries which would employ large numbers of inmates and thereby reduce idleness.

This Committee conducted market surveys, made very constructive efforts to establish adequate and stable markets and was proceeding to make a formal report and submission to Cabinet when the government changed in 1957 and the Cabinet Committee was dissolved. It was not possible to have this undertaking supported and continued after the government change.

In the early 1960's, a review of the effectiveness of all past marketing efforts revealed that the Canadian Penitentiary Service had stable but limited markets in respect to only four product lines, i.e., C.P.S. officer and inmate clothing and footwear, mail bag repair and new mail bag repair and new mail bag manufacture. It was also noted that inmate employment in these fields was marginal, at best, in respect to providing inmates with viable opportunities for preparing themselves for successful re-integration into society after release.

During the 1960's--with the object of reducing idleness--extensive market development efforts were made with all levels of government, with schools and school boards, and with all approved client organizations. While these efforts produced some short term success, they fell far short of establishing stable long term markets and resulted in altogether too many very small orders (2,000 plus per annum) in too many product lines (760 plus) for too many customers (1,100 plus). Rather than rectify, this aggravated the inmate employment problem by placing workshop supervisors and instructors under extreme pressure to set up machines, control and monitor very short production runs in overcrowded workshops, while inmates stood around idling away their time or awaiting short run work assignments.

#### CURRENT DEVELOPMENTS

By 1970 it was very obvious that the inmate idleness condition had been tolerated for altogether too long and it was patently clear that positive and vigorous action was required to resolve this problem at an early date. It was abundantly clear that the methods used in the past in attempts to resolve this condition had failed miserably and that altogether new and aggressive approaches were necessary in the creation of adequate and meaningful industrial employment for a large segment of the inmate population. Moreover, it was quite evident that to adequately prepare inmates to emerge from confinement ready and able to work and to obtain and hold employment, the new and reorganized industrial program must provide the inmates with opportunities to learn good work habits, saleable skills and to gain positive work experiences in working conditions which simulate, to the greatest degree possible, the working conditions, production standards, shop discipline, quality and quantity requirements demanded of free world or competitive commercial industry.

It was determined that, to create the required working environment, all industries should have a profit making orientation and that these activities should be operated on at least a self-supporting basis. Finally, it was recognized that inmates employed in re-organized industries should be provided with some reasonable form of monetary motivational incentive to work; also, that they should be required to contribute towards the cost of their own maintenance, pay income tax and unemployment insurance premiums and contribute to the Canada Pension Plan, and it should be possible, while incarcerated, for them to contribute towards the maintenance of their families.

It was considered that the two-fold purpose of the program being contemplated should be to accustom inmates to the working conditions which they will encounter upon release and require them to accept responsibility for managing their individual financial affairs and obligations. It was perceived that an industrial program of this magnitude, operating in unison with programs in inmate classification, life skills training, academic and physical education, psychological, psychiatric and other innovative inmate training programs and services which were being developed, would provide a comprehensive, corporate C.P.S. program which could resolve the traditional inmate idleness problem and provide a constructive and productive milieu in which inmates may be adequately prepared for successful social and economic re-adjustment in society as useful and productive citizens, capable of competing on the commercial labour market and of supporting themselves and their families.

With these criteria, requirements and aspirations, through much appreciated sage advice and professional assistance from the Management Consulting Service of the Solicitor General's Secretariat, a vastly re-organized and socio-economically oriented industrial program of inmate employment and training was planned. This new re-organized industrial

program is totally committed to the successful attainment and realization of all of the following purposes and objectives to:

1. Provide inmates with an opportunity
  - to learn good work habits;
  - to gain good work experience;
  - to continue practising skills already learned;
  - to develop self-respect and co-operative community attitudes, with a view to increasing their potential for successful post-release employment.
2. Stimulate, to the greatest extent possible, free world industrial conditions by operating production facilities in a competitive, profitable manner which will supply, economically, in sufficient quantities, on predetermined schedules, goods for use by federal government agencies, other tax supported or charitable organizations in Canada and abroad, or any other interested purchaser.
3. Give inmates a true sense of personal accomplishment and encourage their self-improvement.
4. Enable inmates to prepare themselves to adequately fulfill identifiable employment requirements in commercial industry.
5. Prepare inmates to obtain and retain purposeful and gainful employment, in their chosen line of work, after release.
6. Reasonably remunerate inmates for their labours.
7. Produce manufactured goods of adequate quality and quantity to meet market demands.
8. Realize a profit from industrial operations, where this is possible, within the constraints imposed by prison routines.



In the development of this new and re-organized industrial program, in-depth consideration was given to the recommendations which emanated from the Stevenson & Kellogg<sup>(1)</sup> and Dr. Evans<sup>(2)</sup> studies as well as the study prepared by the Florida Division of Corrections, Research and Statistics Section<sup>(3)</sup> and all pertinent and suitable suggestions were included and worked into the final plan.

The main elements of the plan for the re-organized industrial program are included in the Report on Prison Industries Re-orientation<sup>(4)</sup>. The majority of the recommendations contained in this report were accepted, as written. Other recommendations were accepted after minor modification and/or qualification and this report, together with a record of decisions taken in respect to this document, were sent to Divisional, Regional and Institutional Directors with the Commissioner's 81(1) letter of August 21, 1973.

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- (1) A study of Industrial Activities in Canadian Penitentiaries - Stevenson & Kellogg Ltd. - December 1962
- (2) Prison Industries in the Canadian Penitentiary Service - Dr. Robert Evans Jr. - January 1970
- (3) Prison Industries and Rehabilitation Program, Research Monograph No. 1 - Florida Division of Corrections - August 1968
- (4) Report on Prison Industries Re-orientation, Management Consulting Service - Solicitor General's Secretariat - Project No. 38 - April 1973

Throughout the process of devising this re-organized program, it was clearly evident that such an aggressive and ambitious industrial program could not be successfully

- 1) undertaken without the full support and approval of the Canadian Government and the co-operation of all Federal Government Departments and Agencies;
- 2) undertaken without the support of an adequate, stable and continuing Federal government market;
- 3) implemented in all C.P.S. Institutions simultaneously and that it should be introduced by way of a pilot project.

It was abundantly clear that the most important and significant element in this entire undertaking was positive assurance of the provision of an adequate, stable and continuing market on which this program could be based and successfully organized and operated. Moreover, it was quite evident that, if the required stable market support were not available, it would be futile to attempt to develop and operate the planned re-organized industrial program and that all attempts to do so would most assuredly be doomed to dismal failure.

In consideration of this need, therefore, and all of the issues referred to above, plus the fact that the last government statement respecting C.P.S. Industries markets was over 50 years old, unheeded, outdated and forgotten, it was determined that the Canadian Government should, again, be fully apprised of the current plight of the C.P.S., the serious and acute inmate idleness problem, the length of time which this condition has existed, and be formally urged to direct Federal Government Departments and Agencies to provide the C.P.S. with the needed adequate, stable and continuing market base on which a new re-organized, accelerated, high volume production, socio-economically oriented industrial inmate employment and training program could be successfully organized and operated, and to approve other related measures pertinent to the successful operation of this program.

Accordingly, in April 1974, after extensive consultation and discussion of many of the pertinent issues with senior officials in the Privy Council Secretariat, the officials concerned in the Departments of Labour, Manpower and Immigration, Industry Trade and Commerce, Supply and Services, Canada Post, Finance, the Canadian Manufacturers Association, the Canadian Labour Congress, and many individuals concerned, a formal "Memorandum to the Cabinet" was prepared, signed by the Honourable Warren Allmand, Solicitor General, and countersigned by the Honourable Jean-Pierre Goyer, Minister of Supply and Services, and submitted to the Cabinet. In addition to an in-depth explanatory treatment of the problem requiring resolution, this document recommended that the Cabinet:

1. State that it is the policy of the Canadian Government to support Penitentiary Industries through purchase orders covering such Federal Governmental requirements as wood, metal and upholstered office furniture, filing cabinets, shelving and lockers, mail boxes, general furnishing and other stores, on the basis that these orders be valued at up to approximately \$5,000,000 per annum during the fiscal years 1974-75 and 1976 and that the value of such orders will be gradually and progressively increased on an annual basis, to a maximum of \$25,000,000 per annum, within ten years.
2. Direct the Department of Supply and Services and the Canadian Penitentiary Service to develop a specific plan of implementation covering costs, commodities and values, such plan to be submitted to Treasury Board for approval; and direct other departments and agencies to support such a program.

3. Authorize the Canadian Penitentiary Service to employ at the National headquarters, needed managerial officials in marketing, manufacturing and business management at an approximate cost of \$60,000 per year, and to organize and operate a pilot project, which was estimated at a cost of \$1,000,000 to implement, for the production of metal furniture, to test and evaluate the proposed socio-economically oriented industrial employment concept.
4. Give approval to the payment of up to the Federal Minimum Wage to inmates employed in industries when these industries become self-supporting.
5. Authorize the Canadian Penitentiary Service to explore the viability, to study all the implications of, and to eventually implement concepts through which
  - i inmates may be permitted to form their own co-operative companies which may sell their products and/or services to, and through, commercial concerns, and
  - ii commercial entrepreneurs may be invited to organize and operate manufacturing and service plants on Penitentiary property, in which inmates will be employed and paid commercial hourly rates.

NOTE:

This document also proposed the following scaled hourly rate of pay for inmates, employed in industries, with the proviso that the Federal Minimum Wage will be paid only when the industrial activity becomes self-supporting. Hourly rates - \$0.60 - \$0.90 - \$1.50 - \$1.85 - \$2.20.

(Later revised to rates of - \$1.25 - \$1.75 - \$2.10 - \$2.45 - \$2.80 per hour.)

The progression from the lowest to the highest hourly rate is dependent on skill requirement, job complexity and working conditions.

This Cabinet submission also proposed that the pilot project be organized and installed at Joyceville Institution, Kingston, Ontario.

In May, 1974, by Record of Decision 320-74 RD dated May 16, 1974, the Cabinet agreed that:

- a) a program of socio-economically oriented industrial activities be developed within the Canadian Penitentiary system; such a program should not be "make work" of an esoteric nature;
- b) the Canadian Government, through the Department of Supply and Services and other departments and agencies, provide Penitentiary Industries with adequate, stable and continuing market outlets for its manufactured products;
- c) approval in principle be given to the payment of up to the Federal Minimum Wage to inmates employed in industries when these industries become self-supporting;
- d) authorization be given to the Canadian Penitentiary Service to explore the viability, to study all the implications of, and to eventually implement concepts through which
  - (i) inmates may be permitted to form their own co-operative companies which will sell their products and/or services to, and through, commercial concerns, and
  - (ii) commercial entrepreneurs may be invited to organize and operate manufacturing and service plants on Penitentiary property, in which inmates will be employed and paid commercial hourly rates;
- e) after twelve months of operation of a pilot project on the proposed program, a progress report be submitted to Treasury Board and;
- f) the Solicitor General be authorized to announce in general terms the launching of the program.

While all of the measures agreed to and approved by Cabinet are important, all concerned agreed that the most important and significant element, approved by Cabinet, is the provision, by the Canadian Government of adequate, stable and continuing market outlets for Penitentiary Industries' manufactured products. This, because, after altogether too many years of frustration and many futile attempts to obtain such a decree, the Canadian Penitentiary Service has, finally, obtained the long sought after and seemingly elusive "mandate" which it requires as a firm base on which to objectively plan, organize and implement bold measures designed to curtail and, everywhere possible, to eradicate inmate idleness and to provide purposeful and constructive industrial inmate employment and training.

Armed with this "mandate", immediate action was taken to firm up and stabilize long term market outlets and steps were taken to obtain Treasury Board approval to organize and implement the pilot project at Joyceville, to demonstrate the feasibility and benefits to be derived from re-organizing the entire C.P.S. industrial program on a self-supporting, high volume production basis, to train inmates to work full days at the pace and tempo required of commercial industry; to evaluate this concept and to work out ways and means of adjusting institutional routines, where required; and to permit realistic industrial activities to be successfully operated in correctional institutions across Canada.

This pilot project undertaking involves the construction of an addition to existing Joyceville industrial buildings, the alteration of existing buildings and the employment of a consultant contracting firm, highly specialized in the design, planning, implementation, start-up and initial operation of industrial activities in correctional institutions, to assist C.P.S. officials with the installation and start-up of this project. The initial outlay for the implementation of this pilot project approximates \$1,400,000.

On July 25, 1974, Treasury Board approved the expenditures required for this initial or pilot project. As soon as this approval was received, the Technical Services Division of National Headquarters pressed the Ontario Regional Headquarters and the Department of Public Works, Toronto, into top priority action in respect to finalizing plans of the needed building additions and alterations and the Industries Division undertook action to finalize negotiations with the specialist consultant firm respecting the full installation, start-up and initial operation of the pilot project. Contracts were arranged by the Departments of Supply and Services and Public Works and work on the enlargement and equipment of the pilot plant was commenced early in 1976.

In April, 1975, an Industrial Pilot Project Steering Committee, with representation from all program-related disciplines and membership from National and Ontario Regional Headquarters and Institutional officials was organized to identify and resolve relevant problems and to guide the process of preparing for project implementation, plant start-up, plant operation. Simultaneously, at the Institutional level, a Pilot Project Implementation Committee was organized to work out the details of project implementation, the resolving of "on-site" problems, the changing of daily routines and activities to facilitate operation of the pilot plant for a full seven hours per day, with a bare minimum of interruption. Plant start-up was tentatively scheduled for April-May, 1976, with project evaluation being conducted by the Faculty of Administrative Studies, York University.

Meanwhile the development of both short and long term marketing plans was launched and negotiation activities commenced early in 1974, between the Canadian Penitentiary Service and officials of the Departments of Supply and Services, Post Canada and other Federal Agencies, in the process of developing adequate, stable and continuing markets for the sale of goods produced in the Joyceville plan (pilot project and beyond) and

in other industrial factories across the C.P.S.

While market negotiation with the Department of Supply and Services is a complicated and time consuming process, by early 1976 the C.P.S. had developed a new and contemporary "modular shelving" design and model (to replace the old CGSB steel shelving covered by spec. 44-GP-7) for the Department of Supply and Services on the basis that the C.P.S. is to be the "sole source of supply" for this type of modular shelving purchased by D.S.S. for Federal ministry and agency use. This shelving and several other products had been identified and listed for production in the Joyceville plant on a continuing basis and an aggressive plan of market research and product identification had been formally agreed to by the Deputy Minister (Supply), Department of Supply and Services and the Commissioner of Penitentiaries. This agreement requires that:

- certain D.S.S. requirements will be earmarked for supply by the C.P.S. only (C.P.S. is sole source);
- in other product requirement areas, a percentage of D.S.S. annual requirement will be "set aside" for supply by the C.P.S. (C.P.S. to be assigned a portion, the percentage to be determined for each product involved of the requirement with the balance being sent to commercial suppliers);
- in other areas the C.P.S. is to be given the opportunity to fill or refuse D.S.S. orders before such orders are referred to commercial firms for supply (right of first refusal).

By mid-1976, the Department of Supply and Services had placed its first order for "modular desking" and other modular furniture with the C.P.S.

Formal market penetration, research and product identification activities were started in July, 1976, and these are on-going.



Market development with Canada Post and other Agencies has, to date, been less time consuming. These market sources and the positive support of the officials in these organizations were instrumental in the C.P.S. being able to develop long term, medium volume production programs and reasonably rewarding employment and training programs in most maximum and medium security institutions in the Quebec and Ontario Regions and in some institutions in other Regions. By mid-1976, this "improvement of traditional industries activities" program was progressing favourably.

Concurrently, by mid-1976, the required enlargements, renovations and equipment of the building designed to house the Industrial Pilot Project at Joyceville was completed and all other issues and problems related to this project were resolved to the point where inmates could be hired and the pilot plant could be put into operation on a three-month "start-up, tool and equipment testing, proving and personnel training phase".

Some officials have suggested that July 26th should be marked as a "red letter" day in the annals of Joyceville and C.P.S history as it was on this date-July 26, 1976-that the pilot project, in the new socio-economically oriented industrial inmate employment and training program, was put into operation with a work force of fifteen (15) inmates who, for the first time ever, in C.P.S. Industries, were paid for their labour at hourly rates of pay. The hourly rate of pay was \$1.25 per hour for all members of this first draft of inmates hired into the project and this hourly rate prevailed throughout the three-month training period.

NOTE:

When running at full capacity this plant will constructively employ eighty (80) inmate workers and the hourly rates of pay will be scaled thus: \$1.25/hr. - \$1.75/hr. - \$2.10/hr. - \$2.45/hr. and \$2.80/hr.

As the initial product this plant undertook the manufacture of 2,000 special "knock-down" clothing lockers for use by the Department of National Defence.

By late August, 1976, positive effect had been given to Section 27 of the Penitentiary Act through the establishment of an Advisory Committee to the Commissioner of Penitentiaries on Prison Industry. The initial Committee, composed of a Chairman and six (6) members representing the general public, labour, commercial industry and the government held its inaugural meeting in Ottawa, on October 21st and 22nd, 1976, at which time the membership was briefed on the aims and objectives of the C.P.S. generally; C.P.S. Industries, and reviewed and revised their "Terms of Reference" and planned future Committee action.

In October, 1976, based on submissions made earlier, Treasury Board authorized:

- an increase in the Industries Working Capital Advance to \$4,000,000;
- the payment of hourly rates of pay varying between \$1.25 and \$2.80 per hour to inmates for their labour;
- the payment of "group bonus" incentives to groups of inmates who exceed "pre-set" standards of production when employed in Industries;
- the use of Working Capital Advance funds and industrial earnings to finance the cost of inmate pay and group bonus expenditures. On a pilot project basis:
- the payment of "group bonus" incentives to groups of inmates who exceed "pre-set" standards when employed on the performance of essential institutional services.

## FUTURE DEVELOPMENTS

### LONG TERM

Aggressive action will continue in the matter of aggressive industrial re-organization and development and in determining the types and quantities of goods which Canadian Penitentiary Service Industries will, on phased basis, undertake to produce for the Canadian Government in the establishment of the adequate, stable and continuing market, approved by Cabinet.

From the start-up date, two (2) full years will be needed to fully demonstrate and properly evaluate the feasibility and all training program. Therefore, of necessity and not by choice, it will be mid-1978 before this socio-economically oriented industrial inmate employment and training program can be expanded to other medium and maximum security institutions across the C.P.S. The evaluation of the pilot project is being performed, under C.S.P. auspices, by York University.

Current plans perceive the close-out of many of the existing "small workshops" and the establishment, within the next few years, of the successful, self-supporting, operation of two (2) large, high production and commercially simulated, socio-economically oriented industries in most 450-man maximum and medium-security institutions, and one (1) similarly oriented industry in most 180 - 220-man maximum and medium-security institutions across the Canadian Penitentiary Service. The extent to which these developments will be realized and implemented will be determined, through objective consideration of needs and benefits, by the officials concerned in National and Regional Headquarters.

It is not considered feasible to operate C.P.S.-managed industries in most minimum-security, Community Correctional Centre or Correctional Reception Centre-type institutions. Among several alternative activities

currently being pursued by these institutions, it seems that these institutions lend themselves much more toward inmate employment in inmate-owned and managed employment activities of the nature referred to in sub-paragraph (d) of the Cabinet Record of Decision.

SHORT TERM

In no way should the two-year period required to fully evaluate the socio-economically oriented industrial concept being studied in the Joyceville Pilot Project, prevent for two years the expansion, re-arrangement, up-grading and increase in work pace and tempo of existing institutional activities in other institutions. On the contrary, under the current Cabinet mandate, it is intended to proceed with every possible industrial program improvement in all other institutions concerned, provided, only that it can be determined and demonstrated that such improvements are in line with planned major changes and improvements which will be made when the full socio-economically oriented industrial program is eventually implemented in such institutions. Planned expansions and improvements at an Institution is an example of typical action being contemplated.

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**END**