

Report of Royal Commission Concerning Industrial Dispute on Vancouver Waterfront

ON September 10, 1935, the Honourable Mr. Justice H. H. Davis, of the Supreme Court of Canada was, in accordance with Section 65 of the Industrial Disputes Investigation Act, appointed a commissioner under the provisions of Part I of the Inquiries Act to inquire into an industrial dispute which had been in existence for several months on the Vancouver waterfront, involving the Shipping Federation of British Columbia, Limited, and the longshoremen at that port (LABOUR GAZETTE, September, 1935, page 803). Hon. Justice Davis proceeded immediately to the City of Vancouver and there held a public hearing, on notice to all parties concerned, from September 16 to October 9, 1935, inclusive. On October 9, 10 and 11, he conferred with three representatives of each party to the dispute. His report and findings were received in the Department of Labour on October 22, and certified copies were mailed immediately to the Shipping Federation of British Columbia, Limited, and the Vancouver and District Waterfront Workers' Association. The text of the Commissioner's report is given below.

Report of Commissioner

On October 10, 1934, the Vancouver and District Waterfront Workers Association, an organized union of longshoremen engaged in work on the Vancouver waterfront, said union having been in existence since 1924, entered into a three-year agreement (Exhibit 3) with the Shipping Federation of

British Columbia Limited, an association of shipping, stevedoring, cargo-handling and other seagoing and port interests. The said agreement fixed the rate of wages and set out in detail the working conditions agreed upon. This agreement took the place of an agreement between the same parties that had expired on the 31st day of October, 1933. During the intervening period of nearly a year the parties had been continuously negotiating the terms of the new agreement; there had been created under the provisions of the Industrial Disputes Investigation Act, chap. 112 of the Revised Statutes of Canada, 1927, a Board of Conciliation which, after sitting several weeks under the Chairmanship of The Honourable Mr. Justice Robertson of The Supreme Court of British Columbia, had issued its report dated June 30, 1934; and there had come into existence on April 1, 1934, a larger organization, known as The Longshoremen and Water-Transport Workers of Canada, of an advisory nature, to which the Vancouver and District Waterfront Workers Association immediately became a member as Local No. 1, and to which in due course the New Westminster and District Waterfront Workers Association, the Victoria Riggers and Transport Workers Association, the Vancouver Export Log Workers Association, the Coastwise Longshoremen and Freight Handlers, the Seafarers Industrial Union and other organizations became affiliated members.

The constitution of this new organization states that its function was "to promote the well-being of the workers engaged in this

industry in order that through their organized effort they may secure an adequate wage, reasonable working hours and decent working conditions."

If there was an advantage to the Vancouver and District Longshoremen's Union in the advice and guidance of this new and larger organization formed in April, 1934, the local union had such advantage before it entered into the said agreement on October 10, 1934. With so much time spent in negotiating the terms of the agreement, so much investigation had into the alleged grievances and so much advice available from the larger organization formed, one would have expected that the new three-year agreement would be reasonably satisfactory to the parties. There was a veiled suggestion before me that the men had been intimidated into signing the agreement, but the farthest that any reliable evidence went in the tenseness of feeling at the Enquiry was that the men had "reluctantly" accepted the agreement.

A week after the agreement was made, the employers, the Shipping Federation, voluntarily granted an increase in the base wage fixed by the terms of the agreement by five cents an hour, the minimum working pay then being for ship men 85 cents an hour straight time and \$1.23 an hour overtime, and for dock men, 81 cents an hour straight time and \$1.22 an hour overtime. In the light of the 1934 payroll of the Shipping Federation amounting to \$1,104,328.15, its voluntary increase of over 6 per cent in wages represented a very substantial amount of money.

Greer, one of the two business agents of the Vancouver and District Waterfront Workers Association, testifying on behalf of the Union, frankly stated to me in his evidence that the agreement of October 10, 1934, was "a better agreement than had been on the waterfront the last ten years." Melnikow, of San Francisco, an American expert on longshore labour problems, was called as a witness by the Union. He described himself as a consulting economist and Director of the Pacific Coast Labour Bureau. He said he had made a special study of longshoremen's agreements and stated in evidence in reply to a question put by me that "on the whole the October agreement was a very fine agreement," though he pointed out certain respects in which it could be improved from the men's point of view. Crombie, the labour manager of the Shipping Federation, who impressed me as an eminently fair representative of the employers and as a man of large practical

experience on the Vancouver waterfront over the past twelve years, testified that there never had been a better agreement on the Vancouver waterfront.

With this agreement finally entered into by the Union on October 10, 1934, and to remain in effect by its express terms until September 30, 1937, and to continue thereafter until either party gave notice to the other sixty days prior to the thirtieth of September in any year, one would have expected a certain amount of industrial peace on the Vancouver waterfront for at least two or three years. But immediately after the agreement was signed all sorts of objections, complaints, grievances and demands, written and verbal, were made continually by the Union against the Shipping Federation and these culminated as early as June 5, 1935, in a complete breakdown.

This may be a convenient place, before proceeding with the narrative of the events that ended in the complete breakdown that occurred on June 5, 1935, to define what is meant by the term "extra" or "basement" men and by the term "despatcher," because these terms will occur frequently in my review of the evidence. It is to be borne in mind that longshore labour is of a peculiar nature in that it is of necessity intermittent employment and subject at all times to fluctuating and uncontrollable periods of slackness and of peak loads and that consequently the best interests of the individual longshoreman depends upon a careful regulation from time to time of the total number of men to be employed at more or less permanent labour at the particular port. If the total number of men is too large for the normal needs of the port at a particular time, then the amount of work available for each man becomes insufficient for a reasonable living if any approach is made to an equitable distribution of the available work among the men. If, on the other hand, there is too small a number of permanent men available for the needs of the port, it creates a condition when too much overtime and rush work is required from the men to be conducive to the good health and welfare of the individual labourer. There has grown up consequently the system of the employers and the employees settling from time to time, as the normal needs of the given port require, a registration list of those who will be entitled to more or less permanent work. The registration is said to be "frozen" at the point of the total number of men fixed by this list. The men so registered are regarded, subject

to individual efficiency for the various classes of work, as the men among whom the longshore work at the port will be distributed with as much equality as the qualifications of the individual man and the nature of the labour required will permit. These men are known as the permanent or regular longshoremen at the port. But in the very nature of any large shipping port there occur days or seasons of peak loads when an unusual number of ships happen to be in port loading or unloading cargo at the same time, or unusually large quantities of a particular kind of cargo requiring a particular type of longshoreman are being loaded or unloaded. Such conditions may exhaust at the time the total number of registered longshoremen available for the particular work, and "casual" labourers must be called upon at such times to assist in the handling of the peak loads. These "casual" labourers who pick up work intermittently are known as "extra" men, and at the port of Vancouver became known as "basement" men because they gathered awaiting work in the basement of the despatching hall of the Shipping Federation instead of on the main floor of the building which was used by the permanent or registered men. All the men on the registration list were permitted to form a union for their own benefit, and through their joint action were enabled to collectively bargain for their wages and working conditions. In October, 1934, when the agreement in question was made at Vancouver, the registration list was settled at 940 men. There were roughly seventy-five or one hundred men who were known to be available from time to time for surplus work at times of peak loads. Some of these men were experienced longshoremen of six or seven years' standing, some of them were "ex-employees" or "ex-card" men, which means that they were at one time or another regular employees at some port and held a card from the union at that port. Due to illness or change of residence or some other cause they had withdrawn from the registration list at some port but were willing to pick up whatever work they could until such time as an increase in the number of the registration list would enable them to be added to that list. These men were not members, for the time being, of the Union because the Union was limited to the registered men. The limited registration of men based upon an average of the daily requirements for normal conditions is the basis of the decasualization theory generally applied in the United States and Canada. As I understand it, in England they

go on a different theory, that is to have enough men to meet the peak loads or abnormal conditions and by unemployment insurance attempt to cover the men who from time to time are not required. In the absence of unemployment insurance in the United States and Canada the system of having the registration list limited to the needs of normal conditions and taking on "extra" men in time of need has grown up.

Now all these men, whether registered Union men or extra men, had to be despatched for work by some person and the person who despatched them became known as the "despatcher." The registration men were despatched at Vancouver mainly, and from about the first of February exclusively, by the chief despatcher, whose office was on the main floor of the despatching building owned and operated by the Shipping Federation. Another despatcher in the basement, working in conjunction and taking his instructions from the despatcher upstairs, despatched the extra men from the basement as and when required. He soon got to know the casual labourers who were available from time to time and had his own list of them. In the very nature of the peculiar requirements of longshore labour, the selection of men for work from time to time among the registration or Union members themselves, on the one hand, and the selection of men from time to time as between the registration or Union members and the extra men, was bound to lead to constant individual grievances. Good, strong and experienced men from the registered or Union membership would often be employed when others on the same registration and belonging to the same Union would think that they were just as capable and worthy of the work. Again, when extra men were despatched from the basement, members on the registration and belonging to the Union would think that they were just as good men and better entitled to preferment. Much therefore turned on the fairness of the particular individual who was acting as "the despatcher." The men thought there was too much favouritism and discrimination on the part of an employer despatcher; the employers on the other hand thought that it was necessary to the efficiency of the work that they should appoint the despatcher and control the distribution of the work. The latter system left much to the employers in ordering out their own preferred men, preferred on the ground of individual efficiency; the former system led to a more equal distribution of work by rotation among the men looking to an equalisation of earnings.

The agreement of October 10, 1934, continued the practice of employment of "extra" men. The agreement expressly provided:

11. It is herewith recognized and agreed to by both parties to this Agreement that the employment of Members of the Association by Members of the Shipping Federation, and the work which will be allotted to Members of the Association, is dependent in the first place upon members of the Association being and continuing to be in the opinion of the employers, efficient and capable of performing a fair day's work, and of satisfactorily handling the particular commodities to be loaded and/or discharged at the time when men are required.

12. While the Federation cannot guarantee 100 per cent of the work, the Federation will continue to allot work and employ only Association men when available, as the Federation is doing at present, that is to say; with the exception of jitney driving and/or the working of other mechanized dock devices, and the work performed by dock maintenance men, the Federation will allot work to the efficient members of the Association registered with the Federation, or who may hereafter become so registered in accordance with the terms of this Agreement and according to the amount of daily work available.

The said agreement further expressly provided for the despatcher being appointed by the employers. Where the labour Union appoints the despatcher from among its own members, the system is called "Union despatching." That the practice at Vancouver of employer-despatching was definitely continued by the agreement is plain from clause 4 of the agreement which reads as follows:—

4. That the employment and regulation of all Waterfront labour including the despatching and distribution of work and earnings shall be controlled by the Shipping Federation and supervised through its Labour Manager in accordance with the Regulations attached hereto and marked Schedule "B."

To safeguard the interests and welfare of its members, the Association may appoint an accredited representative to co-operate with and assist the Labour Manager in carrying out the supervision and administration of Schedule "B."

The last paragraph of clause 4 was a new provision intended to afford the Union greater facility in checking up on the despatcher and keeping in touch with exactly what was going on in the despatching room and was accepted by the men as an improvement over the old system. Reference should here be made to section 32 of schedule B to the agreement which reads as follows:

32. The Business Agent or Agents or any accredited member of the Association appointed to act as a special representative, shall have all reasonable access to the Shipping Federation Despatch Office, for the purpose of acquiring and distributing first-hand information in regard to and in connection

with orders for work, allotment of work, and the despatching of men to work during despatching office hours, so long as such representatives continue to co-operate with the Despatching Staff and continue to maintain harmonious conditions between the Despatching Staff and the members of the Association registered for employment.

The whole of Schedule B to the agreement is an elaborate and detailed definition of despatching regulations. It was drafted by Major Crombie, the Labour Manager of the Shipping Federation, and during the long period of negotiation for the new agreement was finally settled in its present form jointly by the employers and the employees and is admittedly an improvement for the employees over the former agreements.

Reverting now to the agreement that was signed on October 10, 1934, on that very day the Secretary of the Union wrote the Shipping Federation requesting an increase of five cents per hour in the base wage and while that letter was under consideration by the Federation, the Union sent a second letter dated October 17 repudiating the authority of the previous letter and requesting an increase in the base wage by fifteen cents an hour (Exhibit 64). On November 23 (Exhibit 73) the Union wrote the Federation asking consideration of employing the members of the Freight Handlers Association (a group affiliated with the larger organization) when extra men were required. On December 5th (Exhibit 32) the Union wrote complaining that stevedores were obtaining men from New Westminster rather than local men "in taking care of the present peak load."

The evidence before me disclosed that the bringing of extra men when necessary from New Westminster involved considerable additional expense in transportation to the employers and was only resorted to when experienced men for particular work were not available from the Union. There was nothing substantial in the complaint. On December 20 (Exhibit 21) the Union wrote the Federation setting up its interpretation of clause 13 of the agreement in connection with the employment of extra men, outside the Union, when peak loads made it necessary to engage men over and beyond the members of the Union. The letter put a construction upon the agreement that was not only not in accordance with long established practice under the prior agreements but not sustainable upon the language of the existing agreement or upon the construction put upon the language by the Union itself up to the date of the letter. This involves a consideration of the

contention of the Union with respect to extra men for surplus work at time of peak loads, and, being one of three major questions, I shall refer to it again. The setting up of this contention as early as December 20 taken in the light of the other demands of the Union made prior and subsequent thereto, bears its own significance in the narrative. On December 28 (Exhibit 85) the Shipping Federation engaged one, Hall, an outsider having considerable familiarity with the shipping industry by virtue of his having been a member of two Boards of Conciliation between the Union and the Federation, one in 1930 and the other in 1934, to undertake during the six months then ensuing a special investigation "with the object of the Federation getting into closer touch with the men themselves." On January 5 (Exhibit 76) the Federation by letter notified the Union of this appointment and expressed the hope that Hall "may be assured of hearty co-operation and assistance" from the Union. Replying on January 31 (Exhibit 77) the Union stated that "the Executive Committee of the Association and their officials welcome the movement and they will be willing and ready to co-operate with Mr. Hall," but, very properly, saying that they "do not understand, and will not recognize that Mr. Hall will be taking the place of or acting in lieu of the Advisory and Negotiations Committee" set up by the agreement. Sinister motives on the part of the Federation in the appointment of Mr. Hall were subsequently attributed by the Union at the Enquiry.

As early as January 3 (Exhibit 19) the Union wrote to the Federation seeking the consent of the Federation to an increase in the number of men in the Union and further, asking that several dock gang men be created into a new ship gang. The number of men to be in the Union had been fixed by the October agreement and any increase in numbers was specifically provided for by joint action (clause 13). By the recitals in the agreement the parties had acknowledged that the well-being of longshore labour "depends upon a careful regulating of the total number of men registered for employment." This letter of the 3rd was fully answered with facts and figures by the Federation in two separate letters on January 21 (Exhibit 89 and 90). On January 19 (Exhibit 7) the Union by letter complained of the despatching of members for surplus work from the basement of the Despatching Hall where non-members gathered to pick up surplus work when at peak load conditions there was a

need for extra men. The letter stated that the Executive Committee of the Union "feel that an arrangement whereby all members, whether receiving work under their own category or surplus work on ship or dock, be despatched from the upstairs wicket would be a great improvement." The Federation acceded to this request (Exhibit 8), and wheat-trimmers and surplus ship work men who were members of the Union, were transferred within a few days from the boards in the basement to new boards provided for them on the main floor. This having been accomplished, only non-members were accorded access thereafter to the basement. The Union then complained of the closing of the basement to their representatives, and, while it may have been a tactless step on the part of the Federation that aroused suspicion, the Federation was clearly entitled to take that course. The compliance of the Federation with the request of the Union to move these men upstairs had given rise to a new ground of complaint.

On January 28 the Union wrote again (Exhibit 34) to the Federation re-asserting their interpretation of clause 13 of the agreement as applicable to the employment of extra men.

On February 4 (Exhibit 74) the Union wrote again to the Federation that "the membership of the Association has gone on record as demanding that the preference for surplus work be given to the Coastwise Longshoremen and Freight Handlers Association" (an affiliated union) when no Union men are available and after certain other men mutually agreed upon have been despatched. The letter set out a resolution passed on November 19 at a general meeting of the Union that "if no satisfactory action can be obtained by request, the Association take steps to bring about the arrangement themselves," and a further resolution passed at the same meeting "that the Executive Committee be empowered to instruct the Business agents to refuse to allow no-card men to work if and when they see the necessity or advisability for so doing, and that Association members refuse to work with no-card men unless they have a permit from the Business agents." It is perfectly plain under the agreement, as well as upon the established practice, that the Union had no such right to dictate in respect of extra men for surplus work at peak load conditions. A mass meeting of the Union was held on Sunday, February 10, and by letter of February 11 (Exhibit 35) the Fed-

eration was advised of several resolutions passed at that mass meeting. One resolution read:

"That this meeting declare that all surplus work shall be given to ex-employees with special consideration given to others considered by the Association membership as entitled to the work and when this list is exhausted, the work be given to the affiliated locals."

And another resolution read as follows:

"That on and after 7 a.m. on Tuesday, February 12, 1935, members of the Association shall refuse to work with any non-member whose despatch slip has not been stamped by an accredited representative of the Association."

The Federation had by its letters of February 8 (Exhibit 75) clearly defined its rights and position in respect of casual labour, and the resolutions above mentioned of the mass meeting of the Union were plainly in defiance of those rights. The Federation by letter of February 12 (Exhibit 91) stated that, should any action be taken by the Union or its members along the line suggested in the resolutions, "such action will be considered by the Federation as a direct violation of the Agreement." Then on March 12 the Union notified the Federation (Exhibit 70) that it had accepted thirteen new men as members of the Union; this without going through the procedure provided by clause 13 of the agreement respecting new members.

On April 5 a new course of conduct on the part of the members of the Union occurred. The Union refused to load logs on the North Vancouver shore that had been cut by members of one of their affiliated locals, the Vancouver Export Log Workers Association, because the latter union had a dispute with their employers. The Vancouver Union, "in consideration of close relationship of this Association and the Export Log Workers," resolved "that this Association also declare the logs unfair and if the Export Log Workers' strike is still on, on the morning of April 5, we refuse to load logs" (Exhibit 39). This was a sympathetic strike of the Vancouver Union with one of the other locals affiliated with the Longshoremen and Water-Transport Workers of Canada. This stoppage of work continued from April 5 till April 24, notwithstanding that clause 16 of the agreement of October 10 had specifically provided against stoppage of work for any reason "except the one of safety." No question of safety was involved. On April 11 (Exhibit 62) the Secretary of the Longshoremen and Water-Transport Workers of Can-

ada wrote the Secretary of the log workers' employers that "the present controversy stands fair to lead the whole marine transportation industry into a serious tie-up."

On April 17 (Exhibit 33) the Union submitted to the Federation changes it desired in the working conditions set up by the October agreement. On April 26 (Exhibit 27) the Union notified the Federation that a mass meeting of the members "declared a rest period between the hours of 3 p.m. and 4 p.m. on Monday, April 29, 1935, and no work will be performed between these hours." The evidence disclosed that the rest period was to enable the men to participate in the Relief Camp Strikers' parade in Vancouver. The same letter notified the Federation "that the same mass meeting declared May 1, 1935, a holiday so that the members could attend the May Day celebrations." The Federation replied (Exhibit 92) "that the contemplated action on the part of your members would constitute a breach of the agreement which prevails between the Federation and the Association." The Federation on May 2 (Exhibit 93) notified the Union that a complete cessation of work on April 29 between 3 and 4 p.m., and gangs ordered to work at 8 a.m. on May 1 not reporting to work till 5 p.m., constituted breaches of the agreement.

On April 30 at a meeting with representatives of the Union the Federation clearly outlined its position with reference to matters above referred to, and delivered a letter (Exhibit 37) covering the same to the Secretary of the Union and sent a copy to each of the 927 members of the Union, obviously being of the opinion that the officials did not represent the will of the general membership or instructed them to act contrary to the terms of the agreement. The sending to every member of a copy of the letter may have been a tactless thing to do, but it fully and plainly disclosed to each member the position taken by the Federation.

The Union replied by letter dated May 3 (Exhibit 24) insisting upon what they termed their right to stop work on unfair cargo. "We state once more that under no consideration will we surrender our freedom in exercising the principles of a labour union." The letter proceeded to state that "other instances of stoppage of work and the many minor grievances existing will be found on investigation, to arise from one fundamental source, namely, the control of despatching and distribution of work and earnings by the Shipping Federation." The Union repeated its position that the closing of the basement of the despatch-

ing hall to officials and members of the Union was a breach of the agreement. The letter proceeded, "Will it ever be possible for us to convince the Federation that the members long ago completely lost faith in the fairness and impartiality of the employer-controlled despatching office and that confidence can never be restored, however fairly the despatching may now be carried out? . . . The only possible way by which confidence can ever be restored, to the mutual benefit of all concerned, will be found in turning over the despatching to the men themselves." The letter then advised that "Our mass meeting of April 25 endorsed a motion 'that the Association supply all longshore labour.' This motion is meant to cover the despatching of surplus men, and of course means further difficulties between us unless we can arrive at something definite in these negotiations."

On May 10 (Exhibit 18) the Federation replied to the Union's letter of May 3 and again sent a copy to every member of the Union. This was a very definite letter stating the position of the Federation.

(1) that it would not relinquish its right to control and direct waterfront operations, and to employ casual labour the same as had been done since the formation of the Union in 1924.

(2) that under no circumstances would the Federation be willing to delegate its right of despatching the men to the Union or to any other body.

(3) that stoppage of work, such as the three weeks' refusal to load logs on the North Shore, constituted a fundamental breach of the agreement.

The letter, rather unfortunately, I think, closed with an invitation to the Union "to offer some suitable financial guarantees that you will live up to and abide by the terms of the agreement. We insist on this as a condition to be complied with before we can see our way clear to resume negotiations on any of the points you have raised." Such an arrangement was said to be in effect at the port of Montreal between members of the Shipping Federation of Canada and the Association of Syndicated Longshoremen of the Port of Montreal.

On May 15 (Exhibit 38) the Union notified the Federation that at the regular General Meeting of the Association held on the 13th it was resolved—

"That no gang or individual of the Association shall be dismissed to make place for any other gang or individual unless the permission of the Association, through their officials, is first obtained, and should the em-

ployer violate this rule, the Business Agents be empowered to take the men off the job."

On May 23 (Exhibit 17) the Union notified the Federation that "Union despatch has again been brought into negotiation as the principal issue between the Association and the Federation" and that by a large majority vote of a mass meeting of the Union the Union had determined to put its own despatching system into effect on and after 7 a.m. Monday May 27. The letter closed with an offer to make "any further explanations which may be desired." The Federation replied on May 24 (Exhibit 26) that it was the duty of the men under their agreement to continue to report for work at the Federation despatching hall and to be despatched from there in accordance with the terms of the agreement. "We wish to notify you that should they fail to do so and there is a resultant stoppage of work, the agreement will no longer be in effect."

Then on May 27 (Exhibit 25) the Union addressed a letter "to all stevedores and dock operators" notifying them that "the Association is now definitely committed to Union despatching. Whether this will lead to a tie-up of shipping in this Port rests, to a very large degree, upon you, our actual employers." The significance of the letter is that the membership of the Shipping Federation is composed of 30 members, of whom 5 are stevedoring companies, 6 are dock operators and 19 are steamship owners or agencies. The letter was not sent to any of the 19 members and was obviously an effort to deal direct with the 11 stevedoring and dock operator members of the Shipping Federation.

May 27 was a critical date. The Union deliberately set up, or attempted to set up, its own system of despatching the men for work. It was a deliberate breach by the Union of the basic principle upon which the October agreement rested. The system failed to work because the stevedores would not send their orders for men to the Union despatcher but only through the regular despatcher of the Federation. The setting up by the Union of their own machinery for despatching men to work was so plainly in defiance of the existing agreement that the Union did not carry the proposal to the point of a tie-up or strike.

During the first week of the Enquiry the case for the Union turned mainly on the system of despatching, but later on the Union shifted its ground to other matters and, in the end, Emory, who was the leader for the Union, stated that the attempt to set up Union despatching was only intended as a handle to force the issue of the employment of extra

men from the basement for surplus work at time of peak loads.

May 27 was little over a week before June 4 when the break came. Up to May 27 it is plain that only two major issues were involved—surplus work and the despatching system—and they really involve one principle. Treating them as separate issues it is plain on the evidence that on neither issue could the Union justify a strike. Dealing first with surplus work. The agreement continued the established practice on the Vancouver waterfront to fix by registration in the Union the number of men who normally could expect regular and permanent employment. The number was fixed at 940 in October, 1934. To permit of too large a registration only results in a spread of the work over more men, with consequent diminution of the earnings of the individual men. There are inherent difficulties in the very nature of the case in reducing membership to actual normal requirements. Then, in order to satisfy the demands at times of peak loads (for longshore labour is of necessity, as acknowledged by the recitals in the October agreement, intermittent employment and subject at all times to fluctuating and uncontrollable periods of slackness and of peak loads) the employers are entitled to use casual labour, that is, men who are not regularly employed and registered as members of the Union. These men are called "basement men" or "extra men," and their work is termed "surplus work." This was the established practice since the Union was formed in 1924 and was clearly continued and intended to be continued by the provisions of the October agreement. In fact the Union plainly adopted this view itself after the making of the agreement when it urged upon the Federation the employment of members of its affiliated local, the Freight-Handlers' Association (Letter of November 23—Exhibit 73). There was no justification for the subsequent interpretation sought to be put upon clause 13 of the agreement of confining the employment of extra men to the Union (December 20—Exhibit 21). It was an utterly untenable position. I was impressed at first by the contention of the Union that the employment of extra men from the basement was used unfairly by the Federation to deprive the registered membership of the Union of their prior claim to preference, but this impression was dislodged when the actual figures produced in evidence showed that the amounts of the payroll of the Federation and the percentages received by the Union and the extra men respectively were as follows:

Year	Total Longshore Payroll	Percentage paid to Union Group
1925.. . . .	\$1,242,166 74	99-62
1926.. . . .	1,659,188 81	96-56
1927.. . . .	1,555,189 50	97-26
1928.. . . .	1,625,393 12	95-03
1929.. . . .	1,586,507 15	95-68
1930.. . . .	1,192,309 18	96-57
1931.. . . .	943,492 41	97-39
1932.. . . .	806,089 99	90-51
1933.. . . .	772,529 28	93-16
1934.. . . .	1,104,328 15	97-70

Moreover the list of men actually despatched from the basement (Exhibit 67) shows many of them were what are called "ex-employees" or "ex-card men," that is, men who have had longshore experience and have been at one time or another on the registered list of some longshoremen's union. Many of these men had been despatched more or less regularly from the basement during the last five, six or seven years. They were not used, or intended to be used, to break the Union as suggested. It is to be observed that, when the Union adopted the system in February of "O.K"-ing the slips of every basement man when despatched, and declined to permit its men to work with any basement men whose slip had not been "O.K"-ed, there was not a single man despatched from the basement by the Federation to whom the Union refused its O.K. This in itself refutes the contention that the basement men were improperly and unfairly despatched by the Federation. It is plain that when the Union found itself affiliated with other local unions, such as the Freight-Handlers, it sought to control the basement in order to give work to men of its affiliated unions and thereby strengthen the hand of the larger organization, the Longshoremen and Water-Transport Workers of Canada. As early as December 28 the Union refused to permit the basement despatcher to send out three particular men and insisted upon three freight-handlers of their affiliated union being sent out. If the setting up of its own despatching system by the Union on May 27 was only intended to be a handle to force the issue in respect of the basement men, it was an issue which had no merit and could not have properly been forced to an issue.

Much of the evidence at the Enquiry was directed to the despatching system. That is a controversial question and the practices and theories relating to despatching involve a problem of longshore labour that probably has not yet been adequately settled, and upon which many honest differences of opinions may exist. The nature of the despatching system lies at the very root of the longshore industry and for years the world over has

been the subject matter of much experiment. The employees have always complained that an employer despatcher leads to much favouritism and unfair discrimination; the employer contends that employee despatcher carries greater dangers in this regard. In the earliest days the employer went down to the dock and picked his men from "the line up." Later, when the industry became larger, the employers adopted a registration list, to avoid the inconvenience and disturbance of a "line-up" of the men, and an "employer" despatcher was engaged for a group of the employers to despatch the particular registered men ordered out by the employers. This system, it is said by the men, led to favourite gangs being afforded much of the work, with consequent inequalities of opportunity and earnings among the men. The Shipping Federation frankly admitted this before me, but on the other hand stated that a system whereby the men rotate in turn without reference to individual efficiency, the squirrel-cage method, takes away initiative and substantially reduces efficiency, particularly where the registration list is too large for existing normal conditions, the classifications are diverse, and the experience and qualities of the workmen vary greatly. It was proved in evidence that at Victoria and New Westminster a union despatcher has worked successfully, but those ports have a much smaller registration of men (105 and 315 respectively), their cargo is very largely made up of lumber, and if gangs are of reasonable equal capacity I can understand that, with a fair-minded union man as despatcher, the system may work successfully in such ports. Mr. Melnikow, the American expert, favoured in theory a union despatcher and cited Tacoma as an illustration of the success of the system. But he admitted that Harris, the union despatcher there, has been acting as despatcher for a great many years and is a broad-minded, fair type of man who by his very nature does not show favouritism or exercise discrimination. In the ultimate analysis I am satisfied that it is a human problem and that given the perfect man it would not matter whether the despatcher belonged to the Union or was employed by the employers. It is the inherent weakness and frailty of human nature that favouritism enters into the problem. Major Crombie, the labour manager of the Federation, believes out of his twelve years' practical experience that, having regard to the size of the port of Vancouver, the varied kinds of cargo loaded and unloaded there, a too large

registration list and the inequalities of the men as to experience and efficiency, a system of Union despatcher for the purpose of rotating the work in order and affording equal opportunities and equal earnings for the different gangs is not practical.

The point of the case so far as despatching is concerned is that the Union and the employers by their written agreement on October 10 committed themselves to a new and definite arrangement by way of a compromise, whereby, while the despatcher remained an employer appointment, access to the despatching office was given to an accredited representative of the Union so that the Union might keep close watch upon the daily despatches and if grounds for grievances were shown to exist they could be taken up by the Union with the Federation and either ironed out at once or made the subject matter of negotiation in accordance with the elaborate provisions for negotiation set up by the agreement. The Union business agents admitted to me that the daily run of routine complaints were taken up by the business agents and were ironed out as they arose. The October agreement further provided a curtailment of the prior right of the employers to call for favoured gangs, in an effort to meet halfway the demands of the men for equalization. To this new system of despatching the Union had as an organization solemnly committed itself by the agreement it made with the Federation on October 10, and the deliberate effort on May 27 to set up and operate its own Union despatching system was a definite repudiation of its agreement on the fundamental point of the agreement. That the question of despatching was not made the subject of a strike or tie-up is plainly seen from the very weakness of the case.

What then did result in the breakdown on June 5? What was the reason or what was the excuse for a tie-up of the longshore industry at the Port of Vancouver that has so seriously affected the shipping interests there for several months and has had its repercussions all over the Pacific Coast as far down as San Francisco and as far away as Sydney, Australia, with terror and disorder taking the place of industrial peace in Vancouver? It is what is known as the Powell River cargo. And the story is as short as it is simple. The Powell River Company Limited are manufacturers of newsprint on a very large scale at Powell River, B.C., about 70 miles up the mainland from Vancouver. The Company owns and operates its own mill and has its own townsite

and its own docks. The community is entirely land-locked; the only access being by the sea. Its total investment represents approximately seventeen millions, and its regular and permanent employees are between 1,500 and 1,600 persons, to whom an annual payroll of over \$2,000,000 is distributed. There is not the slightest evidence of any grievance or dissatisfaction among its large roll of permanent employees. From the commencement of its operations in 1912 until the year 1931 the Company used its own regular employees to load the newsprint on the vessels when they came intermittently into the docks of the Company. In the year 1931, due to the completion of certain large extensions to the Company's plant and to the general trade depression then existing, a number of men living in communities adjacent to the Company's townsite became unemployed and, in order to assist these men by giving them casual employment from time to time on the docks rather than relief, the Company began to use some of these men off and on as ships came in to be loaded. In all there were about 195 such men used at different times during the year ending May 16, 1935. Some of the work is what the Company calls "rill work" from the warehouse to the ship's slings, and other of this work is from ship's slings to at rest hold. Sometime in May some of these unemployed began to organize and were assisted and instructed by a representative named Robinson sent up from Vancouver by the longshoremen there. On the evening of May 16 fifty-one of these men met together secretly and formed what they called "The Powell River and District Waterfront Workers Association" and sought affiliation with the Longshoremen and Water-Transport Workers Association of Canada, of which the Vancouver Association was Local No. 1. These 51 men resolved to make demands upon the Company on the Monday following (the meeting was on a Thursday night) and to demand the same wages for longshore work as prevailed at Vancouver, recognition of their Union by the Company, and such other demands as they might decide upon. The Resident Manager of the Company, Mr. Falconer, whose evidence I entirely accept, said that he did not hear of this meeting and was not given a list of the 51 men, but he had heard that Robinson, the representative of the longshoremen at Vancouver, was in town attempting to organize these casual workers, when on the same Thursday night he gave orders to revert in the morning to the former practice of using only regular and permanent

employees of the Company to do the work at the docks. He said he was not taking any chances with men whom he knew to be trouble-makers.

The following morning, the *SS. Heian Maru* being in port, the wharf superintendent, notwithstanding the orders of his superior, but in good faith, accepted 16 of these casual workers who had been sent down by the time office and had reported for work, and he further picked up six other men standing on the dock whom he knew as good workers and gave them work. A number of others standing by on the dock, unemployed, probably fifty or seventy-five, were disappointed. Within a few minutes one of these, Balderson, went on the ship and called out something to the effect "all union men off the boat." Two men responded and left the ship. Three others did not proceed to their work on the ship. These were five of the six men picked up at the dock that morning. The sixth subsequently quit on grounds of illness. There had been no notification or communication with the Company prior to this event by these men. The fifty-one men or some of them (only four of whom according to the evidence—Exhibit 57—had been on the regular payroll of the Company during any part of the past year and these had left the permanent service of the Company prior to May 17) held a meeting and at about 1.45 p.m. a committee of them attended at the office of Mr. Falconer, the Company's Resident Manager. He was busy at the time and had to leave the office on business. The men saw him on the way out but did not speak to him. They left this message with the Manager's secretary (Exhibit 55):

"We wish to notify you that the Powell River District Waterfront Workers Association is now officially on strike, and if the Company wants to communicate with our committee, phone 4437. Ernest McLeod is secretary."

Mr. Falconer did not telephone the secretary, but has never refused, he says, to meet the men. That is the story of Powell River.

At 1.47 p.m., almost the exact moment of the time above stated when the men were talking with Mr. Falconer's secretary, Robinson, the Vancouver representative of the longshoremen, telegraphed the following message (Exhibit 47) from Powell River to the Longshoremen and Water-Transport Workers of Canada at Vancouver:

"Powell River and District Waterfront Workers Association declared strike action on dock at Powell River demanding union

rates and conditions. Non-union labour being used to load ships. Notify all locals, Powell River Company has refused to see negotiating committee."

The Longshoremen and Water-Transport Workers of Canada then notified all their locals; (Exhibit 49).

"A wire from Powell River just received informs us that the longshoremen there have been locked out. The longshoremen have declared a strike against the Powell River Pulp and Paper Co. All ships from Powell River will be placed on the unfair list.

"Will you place this before your Executives as soon as possible, as the co-operation of all locals is necessary if the Powell River longshoremen are to win their demands."

Only two of the Powell River Union were called to give evidence before me. One was Keene, who said he did not commence to work till the latter part of February; he had been a commercial traveller and a taxi-cab driver and was out of work and went up to Powell River in search of work. The other was Balderson, who had not been a permanent employee of the Company since the summer of 1931, but had returned to Powell River November 5, 1934, in search of work, and had been given casual work from time to time on the docks. It was admitted that none of the fifty-one men who formed the Union had any agreement, either individually or collectively, entitling them to any work from the Company.

The Vancouver longshoremen made a direct issue of this Powell River incident. They refused on May 18 and 22 to unload the *ss. Heian Maru* when the ship came to Vancouver. Other ships were released on payment of differences in wages. On June 1 Emory, the President of the Longshoremen and Water-Transport Workers, gave a public statement to the Press (Exhibit 80) that

"All locals of the L. & W. T. W. have been requested by the organization to ask the Shipping Federation of British Columbia not to send any ships excepting those carrying mail, foodstuffs or baggage to Powell River. This request is followed by the declaration that after 5 p.m. on June 8 any shipping line so sending ships, against the embargo of the L. & W. T. W., will be declared unfair. 'We are not withdrawing the embargo' concluded Mr. Emory, 'and we will permit no more compromises for any ships. The matter is now up to the Federation.'"

On the same date, June 1, the Ship Lining and Fitting Workers Association (being Local No. 6) and the Seafarers Industrial Union (being Local No. 5) wrote the Shipping Federation (Exhibits 81 and 82) that any shipping line which sends a ship into Powell River after

5 p.m. on June 8 will be declared unfair and that all other ships operated by such shipping line will be declared unfair and will not be worked or serviced by these organizations. The Vancouver Export Log Workers Association (being Local No. 8) wrote a similar letter (Exhibit 83) to the Shipping Federation on June 5. But before the date fixed by the ultimatum, June 8, a scow of newsprint from Powell River lay aside the *ss. Anten* on June 4 in the Port of Vancouver to be transferred to that vessel. The gang of Vancouver longshoremen ordered to handle this cargo declined to do so, notwithstanding that the October agreement provided that there would be no stoppage of work except for reason of safety. That precipitated the matter.

The Union now contends before me that it was not a matter of collective action by the Union but merely the individual action of one gang. I am satisfied on the evidence that it was a concerted and deliberate action and that the Union officially and collectively refused to move that cargo. There was no denial by the Secretary of the Union of the evidence of Major Crombie, the Labour Manager of the Shipping Federation, that he asked him if it would be necessary to go through the procedure of calling out each gang one by one to ascertain if any of the men would work the *Anten*, as had been done previously in April in another case, and was told, No, that all the Union men would take the same stand. Major Crombie was entitled to act upon the authority of the Secretary.

The Union men continued that day, June 4, at their regular work, apart from their refusal to handle Powell River cargo. Later in the day the Shipping Federation accepted the action of the Union as a repudiation of the agreement and notified the Union that the Federation treated the agreement as at an end, as of that date, and gave notice thereof to the Union (Exhibit 11). The Federation posted a notice (Exhibit 13) that the agreement was at an end and that "work is available for longshoremen at prevailing rates of pay and men wishing to work should apply to the Labour Manager."

The morning of the next day, June 5, the Union men reported for work as usual, some had even reached the docks, when they were called off work by their officials. The strike became an established fact.

On June 6 the Longshoremen and Water-Transport Workers issued a letter to all its locals reading as follows (Exhibit 46).

"To all Locals

"Greetings.

"Dear Fellow Workers:

"The Mass Meeting of the V. & D. W. W. A. Local No. 1 last night requested our Central organization to ask all locals to take a general strike ballot, and hold themselves in readiness at the call of the Central Board, should a General Strike be necessary.

"As you are aware, this lockout is an attack on Labour Organizations in general, and unless we are successful all our organizations will be wrecked.

"Thanking you for your co-operation to date and trusting full support."

Within a few weeks the Port of Vancouver was in the midst of a general strike caused by the sympathetic strikes of all—but one as I recall—of the affiliated Unions of the Longshoremen and Water-Transport Workers. Deep sea and coastlines vessels, freight and passenger boats, were all affected. Some 2,500 men, longshoremen and seamen whose Unions were affiliated with the Longshoremen and Water-Transport Workers of Canada, went out on strike, 1,500 of whom had no grievances with their employers but were out on sympathetic strike. Press reports while I was holding the Enquiry indicated a very serious condition in San Francisco owing to longshoremen there refusing to handle Powell River cargo, and even as far away as Sydney, Australia, it was reported that seamen were objecting to take their vessels to Vancouver.

To what then is to be attributed this widespread and disastrous condition? The facts of the Powell River incident cannot justify it. Quite apart from the legal position that the contract forbade stoppage of work except for safety, there is neither substance nor merit in the Powell River matter. What then is the explanation? I have searched diligently to discover any real facts that could fairly justify the commencement or continuance of this extraordinary condition on the Pacific Coast. At Alberni, on Vancouver Island, there are between 150 and 200 longshoremen working at the same wages and on the same working conditions as prevailed in Vancouver. They are an organized Union and yet they have not gone on strike. Their Union is affiliated with the All-Canadian Congress of Labour and it is contended that this is evidence of a saner leadership and that labour organization in the best sense of the term would not lend itself to the support of the Vancouver group. There might be very little in that contention if the Alberni situation stood alone. It is further emphasized, moreover, that the Vancouver group is not affiliated with the Vancouver Trades and Labour Council, which is in turn affiliated with the American Federation of Labor, and that it broke its

affiliation in April, 1934, with the All-Canadian Congress of Labour.

In the letter of the Secretary of the Central Strike Committee of August 29, 1935, to the Minister of Labour (Exhibit 43), it is stated,

"... we are therefore forced to the conclusion that the lockout was a premeditated attack on us planned for the reason that we were on the point of affiliating with our brother maritime workers to the south of the international boundary... and even now we can see the attack on the Maritime Federation of the Pacific Coast taking shape in the propaganda being published in the press of the Pacific Coast now."

In this connection, it is in evidence that two Seattle fraternal delegates came up to Vancouver on invitation at the time of the formation of the Longshoremen and Water-Transport Workers of Canada in April, 1934. Counsel for the Federation called as a witness one, Foisie, of San Francisco, who is Coordinator for the Waterfront Employers' Association in the several American ports on the Pacific Coast. Prior to this appointment he was identified with the waterfront at Seattle. He has had fifteen years' experience with waterfront labour problems. Foisie spoke in no uncertain terms of the American organization known as The Maritime Federation, with which the Vancouver longshoremen had been "on the point of affiliating" and of its leadership, naming specific individual officials of that organization and asserting the opposition of recognized labour organization to their leadership. In very strong and plain language he attacked this Maritime Federation as being led by left-wingers. Pressed by Emory, who was conducting the case for the Union, Foisie defined a left-winger as a person who wants a disturbance amounting to a revolution and believes that is the first requirement of social reconstruction—a person who will not and cannot reconcile himself to organized labour—one who cannot deal on a contractual basis and maintain the contract. The charges made by Foisie were so definite and specific that Emory at once asked to be allowed to bring a witness from San Francisco to answer these charges. I stated that he had a perfect right to do so and a few days afterwards I permitted the case for the Shipping Federation to be interrupted to permit the Union's witness from San Francisco to be conveniently called at that time. The witness was Melnikow, to whose evidence I have referred above.

Melnikow was a capable and moderate witness who appeared to thoroughly understand the problems of the longshore industry on the American side. I was much

impressed with his evidence. And yet Emory, who called him, did not ask him a word that I recall about the Maritime Federation, its activities or its leadership.

It was proved in evidence that the printed Constitution of the Vancouver and District Waterfront Workers' Association, effective January, 1932 (Exhibit 63a), contained, in Section 2, defining the objects of the Association, the following clause:

"(g) To support the existing form of Government of Canada and resist all revolutionary movements."

and that when the Constitution was revised and reprinted, effective August 10, 1934 (Exhibit 63b), this clause (g) was stricken out. Emory, the leader of the men, stated very frankly that personally he had supported the deletion of this clause. There would have been no significance had such a clause never appeared in the Constitution, but its deliberate omission in 1934 from the 1932 Constitution may be significant in the light of the evidence of Major Crombie, the Labour Manager of the Shipping Federation, and Captain Crawford of the Empire Stevedoring Company, that they had noticed a distinct change in leadership among the men.

During the Enquiry I had the opportunity to observe hundreds of the Vancouver longshoremen as they attended the public hearings. On the whole they impressed me as a good group of men. In fact the Shipping Federation officials acknowledged that at least 600 of them were good decent fellows. There being no merit or substance in the position taken by these men, and their course of conduct being subversive of the sound principles of organized labour, I cannot escape from the view that the real cause of the trouble lay with the leadership that had gained the ascendancy in the ranks of the men. I was told by one of the leaders of the men that anyone who seeks to advance the cause of labour is denounced. That is not so. Leadership that seeks moderately and fairly to overcome real grievances of the workmen is quite legitimate and well recognized. Leadership that deliberately repudiates contracts made by organized labour through collective bargaining and recklessly creates trouble and calls strikes for their destructive effect is not legitimate leadership.

At the conclusion of the public hearings I was informed that 143 out of the 927 men of the Vancouver Union had already gone back to work. Eighty-three old longshoremen, ex-employees as they are termed, and 655 new men, together with the 143, making 881 in all, were registered for work. That is the picture after more than four months of the general strike. The practical difficul-

ties presented with nearly 1,700 men now seeking work, where a normal registration of about 900 would be sufficient, are apparent to anyone seeking a settlement. Moreover there are some 1,500 seamen, freight-handlers, ship liners, log workers, etc., of affiliated unions out on sympathetic strike. This forces the conclusion that some speedier method than now exists for the adjustment of labour disturbances and more governmental control of such disturbances at the moment they arise has become a subject matter for thoughtful consideration.

I am not forgetful of the evidence of Coyle, who has worked on the Vancouver waterfront for the past 25 years and appeared to me to be representative of the best type of longshoremen, that if the employers, the Shipping Federation, had given the men on June 4 a day or two to think the matter over, their course of conduct might have been different. A careful review of the evidence has satisfied me that the stage was so set by the leaders of the men, and the men so much under their influence, that what otherwise might seem harsh and abrupt action by the Shipping Federation was under all the circumstances necessary for the assertion of their rights and the preservation of their interests.

I therefore find:

(1) That the direct and immediate cause of the serious industrial condition that has existed on the Vancouver waterfront since June 5 of this year was the refusal of the longshoremen of the Vancouver and District Waterfront Workers' Association to handle newsprint from the Powell River Company Limited upon the ground that it was unfair cargo.

(2) That the three-year agreement of the longshoremen with their employers, the Shipping Federation, made October 10, 1934, expressly provided that there should be no stoppage of work except upon the grounds of safety. No question of safety was raised or even suggested.

(3) That the refusal to handle the Powell River cargo was a deliberate breach of the existing agreement by the longshoremen which entitled the Shipping Federation to declare the agreement at an end on June 4.

(4) That quite apart from the question of law arising out of the agreement, the Powell River cargo was not as a matter of fact unfair cargo in any proper sense of the term.

(5) That there was no strike or lock-out of any of the employees of the Powell River Company Limited on May 17 and that the Powell River Company Limited was not unfair to labour.

(6) That the longshoremen of the Vancouver and District Waterfront Workers' Association in concerted action refused to handle Powell River cargo and their course of conduct constituted a deliberate strike on their part and they were not "locked out" as they have maintained.

(7) That the local unions of longshoremen, seamen, freight-handlers, ship liners and log workers in affiliation with the Vancouver longshoremen to the extent of about 1,500 additional men went out on strike in sympathy with the Vancouver and District Waterfront Workers' Association; that none of these local affiliated unions had any dispute with their own employers and made no proper and sufficient enquiry into the real facts of the longshoremen's dispute at Vancouver to entitle them fairly to go out in sympathetic strike.

(8) That the distribution of surplus work among the "extra" or "basement men" by the Shipping Federation was consistent not only with the provisions of the existing agreement but with the established practice on the Vancouver waterfront and was not unfairly or improperly exercised by the Shipping Federation against the members of the Vancouver and District Waterfront Workers' Association.

(9) That the Association had, by its agreement made with the Shipping Federation, expressly conditioned the continuance for another three years of the system of employer-despatching with certain provisions for co-operation by their accredited representatives, and the definite and deliberate setting up of their own system of despatching in May of this year was in defiance of one of the fundamental points covered by the agreement.

(10) That the longshoremen of the Vancouver Association failed to realize or appreciate that the right of collective bargaining which had gained for them their agreement involved a corresponding duty of collective adherence to and performance of the bargain they made.

(11) That the strike of the Vancouver Association and the sympathetic strikes of the affiliated unions were contrary to the principles and best interests of sound labour organization.

(12) That the great majority of the Vancouver Association were misled in their course of action throughout by unsound and destructive leadership.

(Sgd.) H. H. DAVIS.

October 22, 1935.