Report of Tribunal in Disputes between Various Coal Mining Companies in the Province of Nova Scotia and Their Employees, Members of District 26, United Mine Workers of America.

A unanimous report was received on March 8 from a tribunal set up to deal with disputes between various coal mining companies in the Province of Nova Scotia and their employees, members of District 26, United Mine Workers of America.

The tribunal functioned in accordance with the following recommendation of the Board of Conciliation and Investigation which during 1940 inquired into differences between the Dominion Coal Company, Limited, and its employees, members of District 26, United Mine Workers of America: "That between December 1 and December 15, 1940, the parties agree on a tribunal to which they would refer the matter of a new contract if unable to negotiate one themselves. That the parties should commence negotiations themselves on a new contract on January 5, 1941, and if unable to agree refer the matter to the tribunal already named on January 15, 1941, for final disposition if possible before the first day of February, 1941."

At a conference held in Halifax, N.S., on December 12, 1940, attended by officials of the Dominion and Nova Scotia Departments of Labour and representatives of the coal mine operators in Nova Scotia and of District 26, United Mine Workers of America, it was agreed between the union officials and the representatives of the Dominion Coal Company, Limited, and of the Cumberland Railway and Coal Company, Limited, that the same persons who constituted the aforementioned Board of Conciliation and Investigation, namely, the Honourable Mr. Justice C. P. McTague, chairman, Mr. Ralph P. Bell and Professor F. R. Scott, should act as the tribunal to settle the terms of a new contract if the operators and the men should have failed to reach an agreement on or before January 15, 1941. In addition, at the Halifax conference the union officials and the representatives of the Acadia Coal Company, Limited, and of the Old Sydney Collieries, Limited, agreed that in the event of their failure to reach accord on wage contracts the differences would be referred to the same tribunal (LABOUR GAZETTE, December, 1940, pp. 1239-40).

Negotiations between the union officials and the representatives of the four companies having proven unsuccessful, the matters in dispute were accordingly referred to the tribunal, composed of Mr. Justice McTague, chairman, Mr. Bell and Professor Scott.

The text of the tribunal's report is printed below.

Report of Tribunal

In the matter of disputes between the Dominion Coal Company, Limited, The Cumberland Railway and Coal Company, Limited, The Acadia Coal Company, Limited, and The Old Sydney Collieries, Limited, Employers, and their employees, being members of District No. 26, United Mine Workers of America.

To the Honourable NORMAN A. MCLARTY, K.C., Minister of Labour,
Ottawa, Ont.

Under the terms of the contract in force from February 1, 1940, to January 31, 1941, between the Dominion Coal Company and the Cumberland Railway and Coal Company and their employees, members of the United Mine Workers of America, District No. 26, it was agreed that if the parties were unable to negotiate a new contract at the termination of the old one they would refer the matters in dispute to a special tribunal "for final disposition if possible before the 1st day of February, 1941". At a conference held in Halifax on December 12, 1940, attended by officials of the Dominion and Provincial Departments of Labour, the coal mine operators in Nova Scotia and executives of the United Mine Workers of America, District No. 26, the tribunal selected by representatives of the union and of the Dominion Coal Company and the Cumberland Railway and Coal Company to act under the contract was to be composed of the Honourable Mr. Justice C. P. McTague, Mr. Ralph P. Bell and Professor F. R. Scott.

At this Halifax conference of December 12, 1940, the union officials and representatives of the Old Sydney Collieries, Limited, and of the Acadia Coal Company, Limited, also agreed that in the event of their failure to reach accord on wage contracts their differences would be referred to the same tribunal.

Thus the one tribunal became charged with authority from all the employers and employees aforesaid to deal with the matters in dispute in their respective areas, and the members of the tribunal beg leave to report to you as follows:

Sittings were held in Halifax from Thursday, February 27th, up to and including Saturday, March the 1st, 1941. Because of the pressure of other duties on certain members of the Tribunal no visits were paid to the colliery districts. A year ago, however, an inspection of the Dominion Coal and Cumberland Coal and Railway properties was made by all the members of the Tribunal, and besides the benefit of their previous experience in the field they had the advantage of consulting the reports of the Board of Conciliation which, under the chairmanship of the Honourable Mr. Justice W. H. Harrison, had investigated conditions at the Acadia Company and Old Sydney Collieries in the summer of 1940. In addition, briefs were presented by the parties who appeared before us and we were furnished with all the supplementary financial statements, documents and statistics necessary to give us a comprehensive picture of the industries involved.

In our deliberations we were of course bound by the restrictions imposed by the Order in Council of December 16, 1940, P.C. No. 7440, which takes the wage levels of the 1926-29 period as being generally fair and reasonable unless it is shown that exceptional circumstances prevail. This new war measure is designed to prevent a rapid rise in the cost of living which would be detrimental to the national economy as well as injurious to the long-run interests of labour, and left the Tribunal considerably less freedom of action than it possessed when acting as a Board of Conciliation in the previous year.

The chief matters in dispute between the parties may best be discussed in relation to the different companies concerned.

Dominion Coal Company and Cumberland Railway and Coal Company

The Dominion Coal Company and its wholly-owned subsidiary, the Cumberland Railway and Coal Company, employing approximately 11,000 men, were the subject of our investigation last year. At that time we recommended an increase in the basic datal rate from $3.71 to $3.90, and proposed certain other changes for the benefit of the lower-paid groups. We are pleased to be able to report that these recommendations were adopted by both the companies and their employees and were in effect at the time the contract came up for revision on January 31, 1941.

The employees presented a number of demands for an upward revision of the 1940 wage scale, basing their contention mainly upon the inadequacy of the present rates in face of the rising costs of living, and upon the increased ability of the employers to pay on account of improvements in the price of coal and the general growth of business activity, particularly in steel, consequent upon Canada's increasing war effort. Among particular matters for which adjustments were requested, special emphasis was placed on the claims of the mechanics and machinists in the shops and collieries and of the men on call at the International Pier, Sydney, during the slack season from about the middle of November to the first of February. In order to bring their demands squarely within the limitations of Order in Council No. 7440, the men brought evidence to support their contention that all wage levels in the coal industry of Nova Scotia during 1926-29 were abnormally depressed and hence could lawfully be raised in accordance with the provisions of the Order in Council itself.

The employers in reply contended that the demands of the men amounted to a total cost quite unjustified in the light of the financial position of the companies. They stressed that wages must be based on ability to pay and that such ability must be measured on accomplished performance and not on future prospects. With regard to the price of coal, figures were presented to show that increased transportation costs consumed the greater part of the price increase received in the St. Lawrence market. The price to the steel company at Sydney was stated to be based on the general selling price of slack coal to customers using large quantities of similar coal for industrial purposes, after deduction of transportation and distribution cost.

We find that the companies worked 240 shifts in 1940 as against 210 in 1939, indicating a general improvement in the demand for coal. Fortunately the difficulties in securing bottoms for the water transportation of the coal to the St. Lawrence market were substantially overcome, although the cost of freight mounted considerably. The steel plant at Sydney took a larger quantity of the output than in the previous year, thus helping to maintain steady employment. The price charged Dosco for coal was the same in 1940 as in 1939. On the evidence before us we were unable to conclude that the price was unfair for the period under review, but if there is any upward revision in the realized price at the mines of coal supplied on similar contracts we should expect to find it reflected in the contract between Dominion Coal and Dosco.

Our survey of the financial situation of the companies shows that after setting aside what appeared to us to be reasonable allowances for interest, depreciation, renewals and betterments, reserve for contingencies and dividends on preferred shares, but before reserve for income tax, the earnings were shown at approximately $858,000. After setting up reserves of $600,000 for income tax including Excess Profits Tax, the actual net profit for the year 1940 was approximately $258,000. There is, therefore, some available fund out of which certain advances in wages may be paid. We have taken the ground before, and we repeat here, that it is in the national interest that standards of wages should be raised wherever it can be shown that industry can afford to do so—always bearing in mind the new situation created by the Order in Council, which, while permitting a cost of living bonus, requires no change from 1926-29 basic rates unless exceptional circumstances prevail.

Our attention was directed to the special claim of the machinists and mechanics in the shops and collieries. It was quite clear from the evidence and accepted by both parties that their case was exceptional, the wages paid being out of alignment with those paid for similar work in other industries. We therefore felt that their demands for special consideration should be conceded within the terms of the Order in Council.

A further group of men who seemed to require special adjustments were the shippers and trimmers on the International Pier. Their work by its nature is seasonal, being active in the navigation season and slack during the period from the middle of November to the beginning of February. Hitherto they have been paid in this off season at their regular tonnage rate, and they demanded a flat weekly rate of $25 a man. On examining the whole situation from all the angles involved we are of the opinion that those who actually work should be paid during the winter season referred to at the hourly rate and in the manner set out below.

The problem of estimating the rise in the cost of living since August, 1939, caused us some difficulty. The Order in Council No. 7440 refers to a new Cost of Living Index prepared by the Dominion Bureau of Statistics in co-operation with the Department of Labour and the Wartime Prices and Trade Board. Unfortunately this new index was not yet prepared for the special regions. Using the Dominion Cost of Living Index, however, we have assumed that the rise since August, 1939, to December, 1940, is approximately 7·2 per cent. That would represent the basis upon which, under the Order, the amount coming to the men as a war bonus should be estimated, unless an allowance up or down were required on a regional basis for the Province of Nova Scotia. The finances of the companies and general condition of the industry at the present time, however, do not in our opinion warrant the full payment of this amount now. The bonus of 15c. per day which we are suggesting, therefore, is to be taken as a payment on account of this full amount of 7·2 per cent, and we recommend that, as contemplated by the Order in Council, there should be a revision of the situation at intervals not more frequent than every three months to see if a further payment is warranted under all the circumstances. Once the 7·2 per cent increase has been reached, then no subsequent increase of bonus is possible, under the Order, until at least 5 per cent has been added to the Cost of Living Index since the last increase was granted. We think that this type of adjustment can be worked out by the officials of the companies and of the Union without the need of reference to any tribunal. This would of course also apply in the case of the Acadia Company and Old Sydney Collieries.

After reviewing these various factors, we recommend that the contract of February 1st, 1937, existing between the Dominion Coal Company and the Cumberland Railway and Coal Company and their employees, as amended by the acceptance of the report of this Board dated March 21st, 1940, and with the grievance procedure as agreed upon at the Halifax conference of December 12th, 1940, already referred to, be renewed for another period of one year, subject to the following changes:—

(1) The mechanics and machinists in the shops and collieries, specified below, to be increased 10 per cent in their basic rates:

Classifications

Machinists—Chargehand, 1st Class, 2nd Class, Helper.
Mechanics—1st Class, 2nd Class.
Electricians—1st Class, 2nd Class.
Carpenters—1st Class, 2nd Class.
Pattern Makers.
Blacksmiths—1st Class, 2nd Class, Helpers (over 3 yrs.)
Boilermakers—1st Class, 2nd Class, Helpers (over 3 yrs.)
Moulders—Chargehands, 1st Class, 2nd Class, Helper, Brass Moulder, Iron Melter.
Painters—1st Class, 2nd Class, Paint Machine Operator.
Linemen—1st Class, 2nd Class, Helper.
Mining Machine Repairers.
Chippers.
Roller Turners.
Roller Turners' Helpers.
Car Repairmen.
Air Brake Repairmen.
Lead Burners.
Tool Room Keeper.
Scale Repairmen.
Grab Fitter.
Wheel Press Man.
Tool Dresser.
Bolt Threader.
Bulldozer Operator.
Punch and Shear Operator.
Cranemen.
Drillers—1st Class, 2nd Class.
Acetylene Welders—1st Class, 2nd Class, Butt Welders.
Tubmen—Chargehand, Ordinary.
Tinsmith—1st Class, 2nd Class.
Plumbers, Plumber's Assistant.
Iron Workers—1st Class, 2nd Class.
Bricklayer and Mason.
Plasterers.

(2) For shippers and trimmers on International Pier:

I. A rate of 60 cents per hour for all men actually working in the slack season (November 15th—February 1st approximately) to be paid at the rate of 2 hours for time worked if called out at all; 4 hours if working more than 2, but less than 4; 8 hours if 4 or more.

II. Rate to shippers for bank slack increased from ·0408 to ·0475 per ton.

III. For shippers operating the haulage system $10 per man per year.

IV. Rate to shippers on foreign bunker boats 5 cents per ton.

(3) Free rent and coal to all enlisted men or their families.

In addition, there should be an over-all payment of 15 cents per shift on account of war bonus.

We estimate that these recommendations will represent a cost to the Dominion Coal Company of approximately $500,000.

ACADIA COAL COMPANY

The position of this company, from both the financial and the operating point of view, is very different from that of the Dominion Coal Company. Acadia is one of the subsidiaries of the Nova Scotia Steel and Coal Company, which in turn is a subsidiary of Dosco, which owns Dominion Coal. There is thus a unified control of both Dominion Coal and Acadia through successive stock ownerships, and Dominion Coal Company supplies Acadia with technical and sales services in return for a reasonable fee. Acadia, however, has been in an extremely difficult financial condition for a number of years, for reasons set out in the Harrison Report referred to above, and in the Report of the Royal Commission presided over by the Honourable Mr. Justice W. F. Carroll of January 19, 1939. That condition we found to be but slightly improved since it was examined by the Harrison Board last July. The company's accounts for 1940 showed a loss for the year of $100,671.36 after allowing depreciation of $120,000.

Approximately 1,200 men are employed. The number of days worked during 1940 was 292. This is high in comparison with the other companies we examined. But the basic rates at Acadia are so low ($3 datal rate) that the earnings even for this number of days' work are wholly inadequate and quite out of line with wages at Dominion Coal (basic rate $3.90) or even at Old Sydney Collieries ($3.40). The men represented to us their strong conviction that they were entitled to a full day's wage at the standard rates prevailing in Dominion Coal Company regardless of any other considerations. The company officials contended that the financial position, with deficits continuing for the past 4 years, made any change in rates quite impossible. It was shown, too, that the mining conditions at Acadia, at least with regard to some of the property, were extremely costly and unremunerative. Output per man was 1·40 tons in 1940 as contrasted with 2·37 for Dominion Coal and 1·76 for Old Sydney Collieries. We approve the general principle, referred to in our report of March 21, 1940, that workmen should be entitled to standard rates of wages paid to men doing similar work in equivalent industries in the province, whereever there is the ability to pay, but in this instance the balance sheet of the Acadia Company shows a complete absence of such ability. We understand, however, that the management, in the furtherance of better industrial relations, is willing to make some adjustment to relieve the actual situation, and hopes to be able to recoup the additional charges out of future sales and increased production. We therefore recommend as follows:—

(1) A contract to be drawn up between the Acadia Coal Company and the employees, embodying the general provisions and conditions (save as to wage rates) of the existing contract between the Dominion Coal Company and its employees.

(2) That existing datal rates at Acadia be increased as follows:

Old rate	New rate
2.90	3.05
3.00	3.15
3.05	3.19
3.06	3.20
3.11	3.21
3.14	3.21
3.19	3.21

(3) That the arrears of rent and coal, prior to the reorganization of the company in August, 1938, be written off.

(4) That free rent and coal be given to all enlisted men or their families.

In addition, that 15 cents per shift be paid to all employees on account of war bonus.

We estimate that the cost of wiping out the arrears of debt will be $40,000, and of the increase in war bonus and datal rates approximately $70,000.

THE OLD SYDNEY COLLIERIES

The outlook for this company, which is also a subsidiary of Nova Scotia Steel and Coal, we find to be somewhat better than that of Acadia, though it is not in as economically sound a position as the Dominion Coal Company from either a financial or the mining point of view. It employs some 1,700 men in the mines. At the basic rate of $3.40 per day, for the 217 days they worked in 1940, they would receive only $737.80 in the year. We feel that here, as in the case of Acadia, the low rates indicate an exceptional condition within the terms of the Order in Council No. 7440, and call for an upward revision if it is at all possible to make it.

Our examination of the books of the company showed a profit for the year 1939 of $16,646.52 and a loss during 1940 of $28,604.37. The properties are owned by the parent company, Nova Scotia Steel and Coal Company, the Old Sydney Collieries paying an annual rent of $60,000 and making no reserve for depreciation. The fees paid to Dominion Coal for services granted appeared to us to be reasonable. We are told that an additional expenditure of $41,800 shown in 1940 was necessary to maintain output and would result in larger production for the coming year. In viewing the whole situation we feel that the financial condition of the company has not improved since the Harrison Board found that there were not sufficient earnings to justify an increase in wages. One particular difficulty on the side of the management has been the fact that owing to scarcity of shipping space a greater portion of the output in 1940 has had to be transported by rail at increased cost. Moreover, the production rate of 1·76 tons per man is low and, owing to a number of causes, declined from 1939.

There is no contract existing between the company and the United Mine Workers of America, District No. 26. The value of a written contract was stressed by the Harrison Board and we heartily concur in that finding.

To meet some of the increased burden on the men imposed by the rising cost of living, and by way of adjusting some of the discrepancies in rates, we understand that the management here, as in the case of Acadia, is prepared to assume greater obligations with respect to wages and we therefore recommend as follows:—

(1) A contract to be drawn up containing the same general provisions and regulations (save with respect to wages) as that obtaining between the Dominion Coal Company and its employees.

(2) The basic datal rates to be increased as indicated below:

Old rate	New rate
3.40	3.50
3.41	3.50
3.43	3.52
3.44	3.52
3.45	3.53
3.48	3.55
3.50	3.55
3.52	3.55

(3) All debts for rent and coal existing prior to August, 1938, to be written off.

(4) Free rent and coal to all enlisted men or their families.

In addition a payment of 15 cents per shift to be paid on account of war bonus.

We estimate that the cost of these changes will be in the neighbourhood of $50,000 for back debts, and $80,000 for increases in wages and bonus.

CONCLUSION

In the past the negotiation of contracts has taken a great deal of time in the coal industry and there has been unnecessary delay and confusion while the terms of new contracts were being decided upon. We think it is in the interests of both the men and the management that contracts should be negotiated and signed with reasonable speed, and the officials of the union and of the companies freed for other constructive activities. We therefore recommend that the conditions herein set forth with regard to all four companies should be signed by the union and the company officials within thirty days from the receipt of this report. If that is done, the advances should retroact to February 1, 1941. If the acceptance of the contracts occurs after 30 days, then the advances should begin from the date of signing the new agreements.

It will of course be clear that once the new contracts are accepted, the same method of negotiation will be followed at the termination of these contracts as we outlined in our report of March 21, 1940.

We wish in conclusion to thank all those who co-operated with us at the sessions of the Tribunal, for their readiness to provide all necessary information and for the courteous way in which they presented their differing points of view. It has been the hope of the members of this Tribunal that constructive steps might steadily be taken for the improvement of industrial relations and working conditions in the coal industry of Nova Scotia, based on mutual understanding and a real analysis of the economic factors involved. The amount of coal produced in Nova Scotia and the price at which it can be sold are factors closely related to the coal problems, the railway rate structure, and industrial conditions in the Dominion of Canada. The co-operation of public authorities, both provincial and Dominion, is required if Nova Scotia coal is to move into Canadian markets and Canadian coal miners are to receive fair wages.

All of which is respectfully submitted this 7th day of March, 1941.

(Sgd.) C. P. McTAGUE,
Chairman.

(Sgd.) Ralph P. BELL,
Member.

(Sgd.) F. R. SCOTT,
Member.