

MONDAY MAR 3 1924

Report of Commission

appointed under Order in Council [P.C. 1929],
September 22, 1923

to inquire into

The Industrial Unrest among the Steel Workers at Sydney, N.S.

Creating conditions which have occasioned the calling
out of the Active Militia in aid of the
Civil Power and their retention for a considerable
period of time in the areas affected

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REPORT OF COMMISSION

To the Right Hon. W. L. MACKENZIE KING, Prime Minister of Canada.

SIR,—The Commissioners appointed under an Order in Council, dated September 22, 1923, submit the following report, accompanied by a copy of the evidence taken.

The texts of the Order in Council and the Commission are as follows:—

(P.C. 1929)

September 22, 1923.

The Committee of the Privy Council have had before them a Report, dated 31st August, 1923, from the Right Honourable W. L. Mackenzie King, Prime Minister, submitting that there have been evidences of recurring industrial unrest among the steel workers at Sydney, N.S., creating conditions which have occasioned the calling out of the Active Militia in aid of the Civil Power and their retention for a considerable period of time in the areas affected.

The Prime Minister states that it is desirable so far as may be practicable to avoid the possibility of the recurrence of similar conditions, and that it is in the public interest that an inquiry be made into the cause of such industrial unrest and the circumstances which occasioned the calling out and the retention of the Militia in aid of the Civil Power in connection with the same.

The Prime Minister therefore recommends that the question be referred to a Commission under the provisions of Part 1 of Chapter 104 of the Revised Statutes of Canada, 1906, commonly called The Inquiries Act, the said Commission to hold and conduct such inquiry with all the powers conferred by the foregoing statute upon the Commissioners, and to be composed of James W. Robertson, C.M.G., LL.D., of the City of Ottawa; J. J. Johnston, K.C., of the City of Charlottetown, P.E.I.; Fred. Bancroft, of the City of Toronto, Esquire.

The Prime Minister further recommends that the Commissioners have the right to determine the manner of conducting the proceedings in respect of such inquiry and to make all necessary inquiries and investigation concerning the relations between the employers and employees concerned, and that the Commission shall have power and authority to treat as private any testimony, books, papers, documents or statements given or exhibited to said Commission with a view to making such recommendations as in their opinion may serve to promote amicable relations between the parties and as may be calculated to remove or lessen the unrest here in question.

The Prime Minister further recommends that the said Dr. J. W. Robertson be appointed Chairman of the said Commission and that the report of the Commissioners be presented to the Prime Minister.

The Committee concur in the foregoing and submit the same for Your Excellency's approval.

Approved by His Excellency the Governor General, on the 22nd September, 1923.

(Signed) E. J. LEMAIRE,
Clerk of the Privy Council

CANADA

GEORGE THE FIFTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.

To all to whom these presents shall come, or whom the same may in anywise concern,

GREETING:

WHEREAS, in and by an order of Our Governor General in Council bearing date the twenty-second day of September in the year of Our Lord one thousand nine hundred and twenty-three (copy of which is hereto annexed) provision has been made for an inquiry by Our Commissioners therein and hereinafter named into the cause of the industrial unrest

among the steel workers at Sydney in the Province of Nova Scotia referred to in the said Order in Council and the circumstances which occasioned the calling out and the retention of the militia in aid of the civil power in connection with the said unrest in the said order mentioned; and also into the relations between the employers and employees concerned.

Now KNOW YE, that by and with the advice of Our Privy Council for Canada, we do by these presents nominate, constitute and appoint JAMES W. ROBERTSON, Esquire, C.M.G., LL.D., of the City of Ottawa, in the Province of Ontario, JAMES J. JOHNSTON, of the City of Charlottetown, in the Province of Prince Edward Island, Esquire, one of Our Counsel learned in the law, and FRED. BANCROFT, of the City of Toronto, in the said Province of Ontario, Esquire, to be Our Commissioners to conduct such inquiry.

To HAVE, hold, exercise and enjoy the said office, place and trust unto the said James W. Robertson, James J. Johnston and Fred. Bancroft, together with the rights, powers, privileges and emoluments unto the said office, place and trust, of right and by law appertaining during pleasure.

AND We do further appoint the said James W. Robertson to be Chairman of such Commission.

AND We do hereby, under the authority of the Revised Statute respecting Inquiries concerning Public Matter, confer upon Our said Commissioners, the power of summoning before them any witnesses and of requiring them to give evidence on oath, or on solemn affirmation if they are persons entitled to affirm in civil matters, and orally or in writing, and to produce such documents and things as Our said Commissioners shall deem requisite to the full investigation of the matters into which they are hereby appointed to examine.

And Our said Commissioners are hereby authorized to engage the services of such accountants, engineers, technical advisers or other experts, clerks, reporters and assistants as they may deem necessary or advisable, and the services of Counsel to aid and assist in such inquiry, and Our said Commissioners are hereby clothed with all the other powers specified in Chapter 28, 2 George V.

AND WE do hereby require and direct Our said Commissioners to report to Our Prime Minister of Canada, the result of their investigation together with the evidence taken before them and any opinion they may see fit to express thereon and any recommendations they may see fit to make.

IN TESTIMONY WHEREOF We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

Witness: Our Right Trusty and Well beloved Julian Hedworth George, Baron Byng of Vimy, General on the retired List and in the reserve of Officers of Our Army, Knight Grand Cross of Our Most Honourable Order of the Bath, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Member of Our Royal Victorian Order, Governor General and Commander-in-Chief of Our Dominion of Canada.

At Our Government House, in Our City of Ottawa, this twenty-second day of September in the year of Our Lord one thousand nine hundred and twenty-three and in the fourteenth year of Our Reign.

(Sgd.) BYNG OF VIMY.

(Sgd.) E. L. NEWCOMBE,
*Deputy Minister of Justice,
Canada.*

By Command,

(Sgd.) THOMAS MULVEY,
Under Secretary of State.

The steel workers at Sydney, Cape Breton, are employed by the Dominion Iron and Steel Company, Limited. That Company was incorporated by an Act of the legislature of Nova Scotia, passed on March 30th, 1899. Shortly thereafter extensive iron and steel works were constructed upon lands conveyed to the Company by the town of Sydney, free from municipal taxation for a period of thirty years.

An agreement was entered into with the Dominion Coal Company, Limited, under which a supply of coal suitable for use in an iron and steel plant was secured for a period of ninety-three years.

In 1909 the Dominion Steel Corporation, Limited, was incorporated under the laws of the province of Nova Scotia. The duration of its charter is perpetual. Among other things the corporation was authorized to acquire, take over and amalgamate the undertakings of the Dominion Iron and Steel Company, Limited, and the Dominion Coal Company, Limited, with power to acquire the shares of the said companies and to assume their debts and liabilities.

In 1920 the British Empire Steel Corporation, Limited, was incorporated under the Companies Act of the Province of Nova Scotia. That corporation (The British Empire Steel Corporation, Limited) by acquisition of the shares of the common stock, controls the following constituent companies:—

I. Dominion Steel Corporation, Limited, which controls the following subsidiary companies: Dominion Iron and Steel Company, Ltd., Dominion Coal Company, Ltd., Cumberland Railway and Coal Co., Ltd., Dominion Shipping Company, Ltd., Jas. Pender & Company, Ltd., Sydney Lumber Company, Ltd.

II. Nova Scotia Steel and Coal Company, Ltd., which controls the following subsidiary companies: Eastern Car Company, Ltd., Acadia Coal Company, Ltd., Wasis Steamship Company, Ltd., Nova Scotia Land Company, Ltd.

III. Halifax Shipyards Limited.

As has been already stated, the steel workers at Sydney are employees of the Dominion Iron and Steel Company, Limited, which is controlled by the Dominion Steel Corporation which, in turn, is controlled by the British Empire Steel Corporation, Limited. The directors of the British Empire Steel Corporation, Limited, are practically the same persons who are directors of the Dominion Iron and Steel Company, Limited and of the other constituent companies of the Corporation.

We began the taking of testimony under oath, on October 31st, 1923, in the Court House at Sydney, Cape Breton, and continued the hearings until November 28th, 1923. During that period 144 witnesses gave evidence. Eleven of them were heard at private sessions and thirteen witnesses were recalled for further examination.

At a later date, in Ottawa, three other witnesses were heard, bringing the total number to 147 witnesses.

During the inquiry at Sydney we visited the plant of the Dominion Iron and Steel Company, Limited, for the purpose of acquainting ourselves with the nature of the work the employees were engaged in and the general conditions under which they laboured. We visited various localities in Sydney where the employees lived in order to see the housing conditions of the workmen and their families.

The witnesses who gave evidence were representative of the community at Sydney. Among them were: the President of the Dominion Iron and Steel Company and other officials of the Company; superintendents of various departments of the plant; officers and members of the Amalgamated Association of Iron, Steel and Tin Workers of America; thirty-five out of the thirty-six members of the General Works Committee at the plant, some of these being union men and others non-members of the union; other employees at the plant; members of the Sydney Board of Trade; officers of the Sydney police force; the officer commanding the provincial police; the officer commanding the militia during the early part of the strike in June; a magistrate who read the Riot Act; other citizens of Sydney. The Judge who requisitioned the militia came before us as a matter of courtesy.

Besides summoning witnesses we announced that anyone who desired to offer any evidence regarding the matters under inquiry would be given an opportunity to present it. The Commissioners examined the witnesses. There was no examination by counsel, but questions from those interested in the inquiry could, on request, be put to witnesses through the chairman.

At the opening of the proceedings at Sydney, the chairman for the Commissioners made the following statement:—

As set forth in the Order in Council and in the Royal Commission issued to the Commissioners they are directed to inquire into and investigate the cause of recurring industrial unrest among the steel workers at Sydney, the circumstances which occasioned the calling out and the retention of the Militia in aid of the Civil Power and the relations between the employers and employees concerned.

The Commissioners are required to report to the Prime Minister of Canada the result of their investigation and make any recommendations which, in their opinion, may serve to promote amicable relations between the employers and employees and remove or lessen the unrest.

The Commissioners have the right to determine the manner of conducting the inquiry and have authority to treat as private any information given to them.

The Commission intends to hold public sessions to receive testimony and will also receive testimony which it may deem proper to regard as private. It regards the public interest as including the interest alike of the employers and the employees and the community generally and it invites the confidence and co-operation of all concerned. In the best interests of industrial undertakings it seems essential that team work should be understood and followed by all and that all should participate equitably in the results.

The Commissioners are hopeful that they may be able to contribute to the removal or reduction of any unwarranted distrust or suspicion which may exist and to the fostering of mutual respect, mutual understanding and co-operating goodwill.

At the conclusion of the hearings at Sydney the chairman for the Commissioners made the following statement:—

For the present the public sessions to receive testimony are ended. In Sydney the Commission has heard 144 witnesses in public and private sessions. These witnesses have been representatives of all interests concerned in our investigation. An opportunity has been given for all points of view to be presented to us and, in the first instance, in the form and manner which the witnesses themselves preferred. The Commission will give very careful consideration to all the information obtained so far and to that which may be obtained hereafter.

For my fellow members and myself, I express the hope that our service will be beneficial and beneficial only. Our hope is that there may be more of mutual understanding, co-operation and goodwill amongst all those who are engaged in carrying on this very important industry—important for this place and for Canada. Notwithstanding the world-wide and unfavourable after-war conditions we hope that this and other industries will go on in such a way that there will be an increasing feeling of stability and confidence, and the experience of cordial co-operative action. By these, no matter how brought about and fostered, the Commission believes that this whole district will accomplish the largest practicable degree of prosperity in which all should, and the Commission hopes all will, share equitably. In Sydney, personally and officially, we have had the utmost courtesy and consideration.

Causes of Industrial Unrest

The evidence given by the witnesses disclosed divergent views as to what was the principal cause, or what were the principal causes, of industrial unrest, among steel workers at Sydney. Some of the causes mentioned were regarded by some individuals as relatively more important than they were by other individuals.

As general causes of unrest, not peculiar to steel workers or to Sydney, mention was made of the strain and anxieties of the war and of disappointments over the predictions and promises, of a better day with better pay and a better time for working men, which had been profusely made but which had not been fulfilled in their experiences.

In the forefront among the causes of the industrial unrest was put the desire on the part of the workmen to obtain higher wages and to have shorter hours of labour. Associated with that during recent years has been the determination of a number of the workmen to obtain recognition of the Union in order to secure what they regarded as the advantages of collective bargaining regarding wages, hours and other conditions of labour.

Since 1917, when the organization of some of the workers in the steel plant in the Amalgamated Association of Iron, Steel and Tin Workers of America was begun at Sydney, the idea had been pushed among the workers that the organization of the men in a Trades Union would be a means whereby they would be able to get from the Company higher wages and shorter hours. The fact that the Corporation refused to recognize the Union, as representing the workmen on the plant, led to a state of acute unrest among a portion of the workers on

the plant. Probably that was a small proportion of the total number of workmen. The number who were members of the Union in good standing, at the time of the strikes in February and June 1923, would be about one quarter of the workmen.

It was stated that the refusal of the Company to recognize the Union was due in part to the fact that some of their workmen had expressed a desire for the maintenance of the open shop; and the Company did not want any outside influence or persons to come into the business of making agreements between itself and its employees.

Into that situation at Sydney, with its disputed questions of wages, hours and non-recognition of the Union, there came what amounted to a campaign of agitation, supported and intensified by speakers and publications from outside, to obtain quickly and in a large measure what they wanted by threats of strikes and by actual strikes. These were all the more to be feared by the Company since it appeared likely that in the case of a strike the maintenance men would not be left on the plant to put it in safe condition to provide opportunity for future employment or to keep it undamaged in the interests of the Company who owned it.

During 1922 and early in 1923 there were visits to Cape Breton by representatives of the Worker's Party of Canada, to advocate theories, principles and methods of that party which, in general, stand for the application of extreme measures to bring about, according to their view, a betterment of the conditions of the workers. It appears that the officials and leaders of the Steel Workers' Union at Sydney, came into close association with and, to some extent, under the influence and leadership of men of extreme views. The sentiments and ideas propounded by these men, rather than any definite program of action, seemed to animate the local leaders of the Union. Marked evidence of this was shown by the part they played in subsequent strikes.

What has been said about the unrest arising from the refusal of the Company to recognize the Union and the campaign of agitation would apply to a small number of the employees but these men were sufficient to bring about the strike in February and later on the strike in June.

It was testified that more moderate and capable leaders in charge of the Union would have sought mutual understandings; and by conference and explanations on both sides would have sought to bring about relations whereby the workmen would have received satisfying treatment in respect to matters in dispute.

Among other causes of unrest the question of discrimination against workmen for being members of the Union, or being active on behalf of the Union interests, was frequently mentioned. The attitude of the Company was quite frankly not to recognize the Union as an organization with which to have negotiations. The evidence did not substantiate the claim made by Union officials that discrimination against men for belonging to the Union, or being active on its behalf, was practised in the plant. In the few cases cited where the individuals believed they had been discriminated against there was no proof that the Company departed from its avowed policy of maintaining an open shop and not discriminating against any workman because he belonged to the Union.

A feeling of distrust and suspicion on the part of the Union men led to the spread of a belief that the Company maintained a system of espionage through the employment of men who spied upon the activities of the workmen who were promoting the interests or activities of the Union. The existence of such a scheme was denied by the officials of the Company and although many statements were made of beliefs and opinions and suspicions regarding it, the Commission did not receive any evidence which successfully contradicted the state-

ment of the officials of the Company that no scheme or system of espionage was maintained in connection with the plant. It was admitted that the Company through its officers sought to keep in touch with and to be informed of the trend of feeling or activity on the part of the workmen in relation to the Company but it was asserted that no such thing as surreptitious espionage was maintained.

The high cost of commodities and the high cost of living were frequently mentioned as a cause of discontent or unrest; and it was not until after the June strike that the Company took definite steps to present to the workmen its view of the relation between the rate of wages and the cost of living. When the information was given by the Company it indicated that, while the cost of living from the pre-war figures of 1913 to the figures of May 1923 showed an increase of 49 per cent, the increase in the daily average of wages paid on the steel plant, excluding the salaried staffs, had been 108 per cent.

Among the causes of unrest was the lack of steady employment throughout a large part of 1921 and 1922. During the last few years there has been only part time work for considerable periods in some departments. During the time in 1922 when business was slack and there were few orders on the books of the Company, it employed for a period some eighteen hundred men, many of whom were engaged to do repair work of all kinds in order to give them employment and carry them over the period of depression. Stock was piled in the yards in the expectation of better business at a later date.

Before that state of affairs was passed, in September, 1922, the men asked for an increase of wages. The application was refused. If there had been a workmen's representatives' plan in existence and joint meetings of representatives of the workmen and management, through which the state of business and the reasons of the Company for its decisions could have been given to the men with clear, correct and full explanations, the unrest which took on a more acute form from that period might not have developed into the unfortunate strikes of February and June with the regrettable occurrences which accompanied them.

A minor but still contributing cause to the unrest was the representations made from time to time regarding absentee management by the Board of Directors at Montreal, whom the workmen were led to believe were out of touch with and had little sympathy with the problems of the workmen in Sydney.

The want of some means through which the representatives of the workmen and the Company could confer and exchange information and explanations on the business situation gave rise to feelings and suspicions, well-founded or ill-founded, that the Company was making large profits while, at the same time, it was representing to the men that it could not pay any higher wages because, instead of profits, there were losses in the operation of the plant for a good part of the time from 1921 to the middle of 1923.

Since the Union was not recognized and there was no other regularly constituted agency through which representatives of the men could meet representatives of the Company to discuss questions of mutual concern, there was no way of bringing grievances to the attention of the management for adjustment except by the individual action of the workmen concerned.

Now that the right of the employees to organize under a workmen's representatives' plan has been not only recognized but encouraged, these parts of the cause of unrest mentioned in the two preceding paragraphs have been greatly lessened.

Another minor cause of unrest was the circulation of reports that steel companies in the United States were paying better wages for the same class of work.

To sum up: The fundamental causes of the recurring industrial unrest among the steel workers may be stated as follows:—

- (1) The rate of wages.
- (2) The long hours of labour.
- (3) Refusal by the Company to recognize the Union.
- (4) Denial of collective bargaining.
- (5) Belief that there was discrimination against members of the Union.
- (6) The absence of any recognized organized means through which representatives of the men could confer with representatives of the management.
- (7) Irregular employment and the fear of unemployment.
- (8) The high cost of living.
- (9) Agitation stirring up hostile class feeling by speakers and writers who denounced those in positions of authority, including the judiciary; called capitalists and employers by such names as "slave-drivers," "labour exploiters," "common enemy," etc.; and urged workmen to seek redress for their grievances by hostile and violent action.

The order in which these causes of unrest are stated is not to be regarded as indicative of the order of their importance. Some of the causes had more effect upon the minds and acts of some workmen than other causes of unrest had.

Circumstances Which Occasioned the Calling Out of the Troops

The February Strike

A walk-out of a large number of men took place during February 13, 1923. That cessation of work was followed or continued by a strike which lasted four days. The immediate occasion was the discharge of Sid. McNeil, a helper in the nail mill.

The final investigation which was made into the case showed that his conduct was insubordinate; that he wilfully and improperly disobeyed the lawful and reasonable orders of his superintendent; that he ceased work without any good and sufficient reason; that he improperly stopped his machine without any orders from his foreman or superintendent and without other sufficient excuse; and that he went about the shop advising other workmen to quit work.

The dispute between McNeil and his superintendent took place about eight o'clock in the forenoon. Shortly thereafter Mr. J. J. McIntyre, president of one of the local lodges of the Union who was employed in another part of the plant, arrived at the office of the nail mill. There he saw Mr. Bischoff, general superintendent; Mr. Wilson, superintendent of mills; and Mr. Haarbauer, assistant superintendent. Mr. Bischoff at first did not recognize Mr. McIntyre and after a few words with him passed on out.

In his evidence Mr. McIntyre says:—

I said to him (Bischoff): "The men are quitting the mills now, is there anything I can do?" He said: "What can you do?" I said: "We can investigate it and find out the trouble." He said: "Who will investigate it?" I said: "The Steel Workers' Union will investigate it." He did not talk to me any more. I took it as an insult. He said sneeringly: "The Steel Workers' Union." So I walked away and said no more.

Mr. McIntyre further said he had seen other executives of the Union humiliated on dozens of occasions in something the same kind of way. In consequence of that their own men would turn them down and accuse them of being cold-

blooded and traitors to the organization. "So when I was turned down by the Superintendent when I tried to straighten the matter out, I figured he was trying to do the same thing he had done before."

Mr. McIntyre went home and then went over to the Union office. When there he called up the plant and talked to a man on the plant. "I asked him what was happening." He said: "The men have all quit the nail machines. They are leaving the plant like sheep." I said: "That is very good." "It is all right. I think it is very good; they have fired men on dozens of occasions and nothing done about it. The men are going to take the bit in their teeth and find out if something can be done about it."

It would seem from the evidence that this workman, Sid McNeil, claimed he acted as he did in his capacity as a committee man of the Union. The evidence also indicates that McNeil felt he had a personal grievance inasmuch as he had not been promoted from the position of helper to that of operator.

The walk-out began on Tuesday, February 13, and the strike continued until Saturday, February 17. On Sunday, February 18, the day after the settlement of the strike, a mass meeting was held in the Savoy theatre, at Sydney, which was addressed by the following persons: H. M. Bartholomew, of the Workers' Party of Canada; Ernest Curtis, Canadian Vice-President of the Amalgamated Association of Iron, Steel and Tin Workers of America; Foreman Wayne, secretary of one of the local lodges of the Union; Don Curtis, a member of the executive of a local lodge; Fred Boland, secretary of the other local lodge of steel workers.

The *Maritime Labour Herald*, in its issue of February 24, 1923, reports some of the speakers as having among other matters said as follows:—

H. M. BARTHOLOMEW, in behalf of the Workers' Party and on behalf of the organized workers of Canada, thanked the steel workers for their splendid fight. They were, however, still slaves. ". . . . The moral is that, just as the masters have linked up into industrial, closely knit, groups, so must the workers; and as the masters have united into a world federation of bosses, so the workers must unite into a world federation, and that federation is the Red Trade Union International with headquarters at Moscow."

FOREMAN WAYNE: Bischoff had sneered at the President of the Steel Workers' Union and that sneer had caused Besco at least \$300,000. The question arises, when is a sneer a luxury? Bischoff's sneer was a luxury. ". . . . For the past three or four months a concentrated effort had been made to get the steel workers organized. Assistance had been rendered by the Miners' Executive and by the Workers' Party." ". . . . "The steel workers had gone into the plant and captured two engines and pulled the scabs out of them. They had captured a carload of provisions and nearly starved the men on the plant." ". . . . "It was a grand sight to see the men out on picket duty with the weather ten degrees below zero and not one deserter." ". . . . "The scabs were blocked entrance on a five-mile front encircling the plant."

FRED BOLAN: "Well, the Sydney workers walked over the Company police during the strike and into the Company's boiler-house and there found a great big fellow with a big moustache and black as the devil. So they walked him out and up the main street of the Coke Oven district (Tupper street)."

The strike was not over a question of hours or wages or conditions in the plant. It was called because the officials of the union claimed that there had not been an investigation, or, at least, not a satisfactory investigation into the case of Sid. McNeil. Evidently many of the men did not know what the strike was about or what they wanted to accomplish except to show the Company definitely that they had the power to stop the work.

A prominent member of the Union testified that the men had the right of investigation long before the trouble in February. He testified as follows:—

"The whole thing looked to me (and a good many more men) as though the men simply lost their heads. I claimed that dozens of different cases had been dealt with by the Union executive previous to that time that were far more serious than the particular case in the nail mill which was the cause of the February strike."

Some witnesses expressed the opinion that the February strike was brought about for the purpose of recruiting members for the Union and that the walk-out of the men from the plant was pre-arranged. Members of the committee of the Union went through the plant and instructed the men to stop work. Men left their jobs on instructions from the steel workers' Union. Word was passed around and then the men left.

At the meeting of the Union lodge on the evening of the first day of the walk-out, a resolution approving of the action of the men who left their work was adopted. It called for a one-hundred-per-cent strike. It was arranged that pickets should be placed at all the entrances of the plant. Thereafter for a period of four days and nights all the entrances to the plant were partially blocked to the workmen and to the public; and for a part of this time portions of the company's property and of the main line of the Sydney and Louisburg Railway were overrun and controlled by a lawless mob. Acts of violence and other unlawful acts were frequent.

Among other unlawful acts were the following:—

Men who were willing to work in the Coke Oven Department to protect it were prevented from going to work.

Officials who, because of their technical training and ability, were necessary to the preservation of the blast furnaces, boilers and coke ovens were prevented from entering the plant and their homes were picketed to see that they did not get out of doors.

Locomotive engines were raided and left to freeze. The men in charge of the engines said: "We cannot afford to take a chance on our lives by exposing ourselves any more to those people. They were throwing rocks at us."

One of the officials of the Company told the raiders that he and others were protecting the plant for the sake of preserving it to give employment to the workers. The raiders said to him: "To Hell with that. If the plant burns down there will be plenty of work for us at \$8 a day in fixing it up."

On the evening of Friday five foreign women living in the coke oven district came in on the plant crying. They were not dressed for the street. They said men had driven them from their homes. The result was that their husbands left the plant and every other man of foreign nationality went home. He did not know whether his home was in danger.

The company officials were very anxious about the ~~safety of the plant~~. The mob was in a menacing attitude. The Chief of Police of Sydney with his force was unable to preserve order.

The officials of the Company felt that there was no question of there being plenty of men willing to operate the plant if they were able to get in. The entrances to the plant were blocked by pickets and men were forcibly prevented from entering. On the day after the walk-out took place over one thousand men reported for work on the day-shift and over five hundred for the following night shift.

The executive of the Union, having endorsed the walk-out of the men and approved of it by calling for a one-hundred-per-cent strike, found themselves unable to control the actions of the men whose passions had been let loose. In consequence the good offices of a mediator were sought and an agreement between the Company and the men was reached. In accordance with it the strike was declared off on the evening of Saturday, February 17. The Agreement stated:—

The charge is made that not sufficient investigation was held, therefore the Company will investigate fully the circumstances of McNeil's discharge as would be done normally in the case of similar complaints of the workmen on the plant.

ERRATUM

Report of Commission to Inquire into Industrial Unrest among Steel Workers at Sydney, N.S.

In the Supplement to the LABOUR GAZETTE, February, 1924, page 12, lines 18-19 should read as follows:—

A letter from the Steel-workers' Union was sent to the General Superintendent of the plant under date of March 19, making the following demands:—

An investigation was held in accordance with the agreement and the dismissal of Sid. McNeil was confirmed.

The Attorney General of Nova Scotia instructed the Crown Prosecutor in Cape Breton to bring actions against thirty-five persons charged with indictable offences committed during the strike in February.

The June Strike

From the time of the February strike until the calling of the June strike unrest among the workers was much more manifest. Immediately after the February strike it was told on the streets that another strike would take place.

A committee of the men who were members of the Union again put forward demands for an increase in wages, but their principal request was for the granting of the check-off.

On the 14th March, the President of the Company issued a statement defining the Company's position in regard to the demands made by the Union. In brief it set forth: (1) The policy of the Company is to maintain an open shop; (2) The check-off will not be accepted by the Company; (3) Prices of products do not cover cost of manufacture at the present time. Consideration will be given to an increase in wages after orders that are profitable are secured.

A letter from the Steel-workers' Union was sent to the General Superintendent of the Company, announcing an increase of ten per cent in wages

- (1) A general increase in wages of 30 per cent; retroactive to the 1st March, 1923.
- (2) Recognition of the Union including the check-off of the Union dues and the meeting with committees from time to time to adjust their differences.
- (3) An eight-hour day.

On March 27th a statement was issued by Mr. Bischoff, General Superintendent of the Company, announcing an increase of ten per cent in wages effective 16th April.

Mr. Bischoff, the general superintendent, sent a letter to Mr. J. J. McIntyre, president of the local lodge of the Union, addressed to him at the boilershop where he worked on the plant, under date of March 27th, giving the information of the increase in wages. Mr. McIntyre sent the letter back to the general superintendent informing him as follows:—

Any communications you wish to submit to the employees should be addressed to the Secretary of the Union.

On June 1st a committee of the employees representing the executive of the steel-workers' Union met the management and asked for a twenty per cent increase in wages; and the granting of the check-off. The committee stated that in the event of a strike the steel-workers had been promised the full backing of the miners. The committee also informed the General Superintendent that a vote recently taken was unanimous for a strike if their demands were not granted and asked him to refer their demands to the Vice-President of the Company.

On June 13th, the committee of the steel-workers met the Vice-President and the Assistant to the Vice-President and renewed their demands, laying the greatest emphasis upon the obtaining of the check-off. They intimated that if the check-off were granted, their other demands would not be pressed. Since the Vice-President could not grant their demands, at the request of the committee, he referred the question to the Board of Directors of the Company at Montreal.

At a meeting of the Board of Directors on June 21st, it was decided that the Company would not grant an increase in wages nor grant the check-off.

This information was communicated to the committee of the steel-workers in a letter signed by the Assistant to the Vice-President and handed to Mr. J. J. McIntyre on June 27th.

A general strike was declared by the union and began to take place between 3 o'clock and 4 o'clock in the morning of June 28th.

Of the combination of causes that culminated in the June strike the chief one was the determination of the leaders of the local Union to force recognition of the Union and the granting of the check-off. A member of the Union testified that the officials of the Union had too much desire for a strike and that he considered it was a conspiracy against Bischoff, the General Superintendent, and the community to pull off a strike at that time.

When the strike was called no provision was made for leaving maintenance men on the plant, and organized efforts were made by strikers who became raiders to forcibly remove maintenance men from the plant. In this connection the evidence discloses that Mr. Mike F. Tighe, International President of the Amalgamated Association of Iron, Steel and Tin Workers of America, visited Sydney in June and met the members of the committee appointed to negotiate with Mr. McDougall, Vice-President of the Company.

Mr. Tighe told the Union men that if they did "cease work" their action should be carried out according to the laws of the Amalgamated Association of Iron, Steel and Tin Workers of America. No sabotage of any kind or injury to the property should be done. He told them that the Company should be given due notice and warned that the men would work only long enough, after notice, to empty the open hearths and other places of steel in process and to leave the plant in good shape and undamaged so that the work could be resumed.

The strike was authorized by a vote of members of the Union whose number was not more than one-fifth of the average number of workmen employed on the plant in June.

After the strike had continued more than two weeks, a committee of 1,400 men, who were working on the plant on July 14th while the strike was still on, stated: (1) that it believed it represented the opinion of seventy-five per cent of all the employees; (2) that the strike had been improperly called; (3) that the strike had been declared by the executive committee in defiance of the rules of the International Union; and (4) that it commended the action of the Government in sending the provincial police to protect life and property and denounced the "Red" element among the strikers who were the cause of the trouble.

When the strike was called on June 28th, there were on the day shift 2,774 men and on the night shift 1,097 men. The following day there were on the day shift 1,037 men and on the night shift 1,134 men.

It was stated that intimidation and violence prevented men who desired to go to work from doing so. The number at work diminished daily until after the militia and the provincial police arrived. Thereafter more of them reported for work daily. There were 2,732 at work on August 2nd the date when the strike ended.

From the evening of June 28th gangs of strikers, masked and in many cases armed with clubs, raided the plant and forcibly removed men engaged in maintenance work. That evening serious rioting took place at No. 4 gate. Many assaults were made. Stones and bottles were thrown. The Deputy Chief of Police of Sydney was kicked when he had fallen down. The local police were entirely unable to cope with the situation and preserve law and order. Magistrate W. A. G. Hill while reading the Riot Act was struck on the head by a

stone and afterwards became unconscious. The nature of the situation was brought to the attention of His Honour Judge Finlayson, who sent a requisition for the active militia to come in aid of the civil power.

During the following day, Friday, raids were made on the coke ovens. In the evening a crowd numbering many hundreds was outside gate No. 4, throwing stones and other missiles. Policemen and others were injured. Some strikers broke through the fence and, wearing masks on their faces and having clubs and other weapons, drove maintenance men off the plant.

On Saturday morning, June 30th, two hundred and forty-six soldiers arrived from Halifax in charge of Colonel W. H. P. Elkins. During Saturday evening riotous conditions again prevailed outside No. 4 gate. There was a large crowd shouting, yelling and throwing stones. A detachment of soldiers stationed inside the plant to support the police in preventing a raid were struck by stones and had to fall back out of range. A magistrate read the Riot Act; but the riotous crowd did not fully disperse.

The following morning, July 1st, a detachment of provincial police arrived under command of Colonel Eric Macdonald. In the evening a large crowd had assembled outside gate No. 4. It was behaving in a riotous and threatening manner, throwing stones and other missiles. The provincial police dispersed the unlawful assembly and suppressed the riot.

From that time onward patrols of provincial police and militia prevented further riotous conditions.

The employees began to go back to work in increasing numbers. The following table shows the extent of that increase:—

Date	Day-shift	Night-shift
July 2..	417	255
" 9..	922	230
" 16..	1,214	211
" 23..	1,458	409
" 30..	1,720	515
Aug. 2..	1,978	754

The men were taken on as the opening of new departments permitted. During the last two weeks of the strike, which ended on August 2nd, there were always more men applying to be taken on than there were places for them under the reduced scale of operations.

The Calling Out of the Militia

His Honour Duncan Finlayson, Judge of the County Court, appeared before the Commissioners as a matter of courtesy. He stated that he signed the requisition to call the troops to Sydney because there was before him what he considered sufficient evidence to warrant him in taking that step, all in accordance with the law relating to that matter.

A detachment of the Militia under Colonel W. H. P. Elkins arrived, from Halifax, at Sydney on the morning of Saturday, June 30th. Colonel Elkins testified that he regarded his duty to be to render aid to the civil power in dealing with any riotous condition or any disturbance of the peace that occurred or was anticipated.

The Provincial Police

On Saturday June 30, the Sheriff of Cape Breton county, the Chief of Police of the City of Sydney, and City Magistrate Hill made representations to the provincial government that even with the detachment of troops on the spot the police at Sydney were entirely inadequate to cope with the situation, which had then developed. Accordingly under the provisions of the provincial statute a detachment of provincial police were sent to Sydney and arrived there Sunday

morning July 1. The provincial police were under the command of Colonel Eric Macdonald. He had thirty-five men, sixteen of whom were mounted and nineteen unmounted.

On Sunday evening, July 1, between eight and nine o'clock a riotous condition prevailed outside gate No. 4 and in the adjacent streets. The provincial police were called upon to suppress the riot and to disperse the unlawful assembly. They did that. After that there was no rioting.

An opinion seemed to be prevalent that the duty of the provincial police and of the militia, after the Riot Act was read, was to confine themselves to clearing the streets for traffic. Complaints were made that the provincial police exceeded their duty in compelling people to leave the sidewalks and in driving them from places where they stood, even when bottles and stones were being thrown at the police from behind their positions.

Some of these witnesses when before the Commission appeared to be greatly surprised when informed of the provisions of the Criminal Code in respect to unlawful assemblies, riots and the reading of the Riot Act. Some of the sections of the Criminal Code were read to such witnesses and sections 87 to 91 are quoted herein:—

87. An unlawful assembly is an assembly of three or more persons who, with intent to carry out any common purpose, assemble in such a manner as to conduct themselves when assembled as to cause persons in the neighbourhood of such assembly to fear, on reasonable grounds, that the persons so assembled will disturb the peace tumultuously, or will by such assembly needlessly and without any reasonable occasion provoke other persons to disturb the peace tumultuously.

2. Persons lawfully assembled may become an unlawful assembly if they conduct themselves with a common purpose in such a manner as would have made their assembling unlawful if they had assembled in that manner for that purpose.

3. An assembly of three or more persons for the purpose of protecting the house of any one of their number against persons threatening to break and enter such house in order to commit any indictable offence therein is not unlawful.

88. A riot is an unlawful assembly which has begun to disturb the peace tumultuously.

89. Every member of an unlawful assembly is guilty of an indictable offence and liable to one year's imprisonment.

90. Every rioter is guilty of an indictable offence and liable to two years' imprisonment with hard labour.

91. It is the duty of every sheriff, deputy sheriff, mayor or other head officer, and justice, of any county, city or town, who has notice that there are within his jurisdiction persons to the number of twelve or more unlawfully, riotously and tumultuously assembled together to the disturbance of the public peace, to resort to the place where such unlawful, riotous and tumultuous assembly is, and among the rioters or as near to them as he can safely come, with a loud voice to command or cause to be commanded silence, and after that openly and with a loud voice to make or cause to be made a proclamation in these words or to the like effect:

Our Sovereign Lord the King charges and commands all persons being assembled immediately to disperse and peaceably to depart to their habitations or to their lawful business upon the pain of being guilty of an offence on conviction of which they may be sentenced to imprisonment for life. **GOD SAVE THE KING.**

After hearing the evidence of witnesses who complained of harsh and unwarranted treatment by the provincial police and hearing other testimony in respect to that matter the Commissioners are of the opinion that the provincial police under Colonel Eric Macdonald performed a very difficult and distasteful duty in dispersing unlawful assemblies, in suppressing riotous conditions and in preserving law and order. After the unlawful assemblies were dispersed on the evening of July 1, unlawful acts and acts of violence almost ceased.

The Militia

It appeared from the evidence that the militia rendered effective aid to the civil power in the protection of life, liberty, order and property under the law.

The militia and provincial police were not at any time or in any sense used as strike breakers. They took no part and took no side in the industrial dispute.

Many witnesses who had personal knowledge of the situation and some of the occurrences, when the plant was being raided, when mob rule was prevailing, and when life and property were being endangered, declared that it was wholly necessary to call out the troops in aid of the civil power.

From the evidence received, and from the understanding of the situation which grew up from hearing the testimony of many witnesses, the Commissioners are of the opinion that the local police force was entirely inadequate to deal with the situation which had occurred, that a riotous condition of mob rule prevailed for some days and nights and that the presence of the militia was necessary and beneficial.

The Commissioners are of the opinion that the retention of the troops at Sydney was necessary as a protection against the recurrence of unlawful acts and riotous conditions while the strike continued.

In this connection it is to be remembered that as late as July 30 two water mains which furnished fresh water to the steel plant were broken by blasts from some form of explosives, completely depriving the plant of its fresh water supply and putting it in extreme jeopardy until repairs were completed. The explosions coincided with the withdrawal of a portion of the military forces from the district. The lack of water and the inability of the protective forces available to patrol the pipe-line sufficiently to ensure the plant against similar interruption prevented the enlargement of employment at the plant to a considerable extent.

The Commissioners are of the opinion that if the true facts of the situation at Sydney had been disclosed at the time when the troops were called there, it would have been manifest that their presence was necessary and that but for their presence and the presence of the provincial police there would likely have been loss of life, much more injury to persons than occurred and such damage to the plant that employment could not have been provided thereat for the normal number of employees for a long time afterwards.

A number of the men who took part in the riots or who committed assaults during the strike were tried in the Supreme Court or the County Court at Sydney from October 30 to November 10, 1923. Six of them were found guilty and sentenced to two years in the penitentiary. Five others were sentenced to forty days in jail and bonded with two sureties to keep the peace for two years.

Employees' Representatives Plan and Relations Between the Employers and Employees

Employees' Representatives Plan

A scheme for the formation of committees of workmen was proposed to the Company by members of the Union who were also employees of the Company in September, 1922. It was not accepted by the Company, evidently because the company was not willing to let any form of recognition or control by the Union be accepted.

In December, 1922, a plan of employees' representation, similar to that which had been in operation for some years in a number of the steel plants in the United States, was proposed to the workmen by the Company. The proposal was put to a vote and rejected by 1,562 votes against to 1,021 in favour. The Union was active against the acceptance of the proposal by the men.

After the June-August, 1923, strike was ended a committee of the workmen approached the management with a request to revive the proposal to have workmen's representatives elected to serve on committees and to meet representatives of the management to discuss matters of common interest. The Company favoured this proposal and without calling for a vote of the workmen on the question of its adoption, arranged that the men could go ahead and elect their own representatives to a General Works Committee by secret ballot. The election took place on August 30, 1923, and 2,729 workmen voted. That represented about 93 per cent of the workmen on the plant.

The general nature of the scheme is as follows:—

Proportion of Representatives.—One representative to be elected for about every hundred workmen; the representatives to be elected equitably from the different departments of the plant, for example a department employing about 300 men to elect three representatives and a number of the small departments to be grouped together for the purpose of electing one representative.

Committees.—The committee thus elected is a General Works Committee of about thirty-six members elected from among the employees.

A Central Works Committee is elected by the General Works Committee from its own members and consists of about eight members.

The Management Committee, which is appointed by the Company, has a number of members corresponding or nearly corresponding to the number of the Central Works Committee.

When the members of the Central Works Committee and the Management Committee meet in joint conference that is called the Joint Committee.

Questions to be dealt with.—The questions to be dealt with by these committees were not at first definitely stated. They include in a general way working conditions and working relations on the plant.

When the plan was suggested and adopted it was stated that after it was given a reasonable trial, alterations might be deemed desirable and suggestions along these lines which were mutually acceptable would be adopted.

Qualification for Voters and Representatives.—Any employee who is eighteen years of age or over is eligible to vote; but foremen, assistant foremen, chief clerks and others in similar or higher positions are not eligible.

Any employee who is 21 years of age or over and who has had one year's aggregate service with the company is eligible for election as a Departmental Representative but foremen, assistant foremen, chief clerks and other employees in similar or higher positions are excluded.

Discrimination.—Departmental Representatives shall be wholly free in the performance of their duties as such, and shall not be discriminated against on account of any action taken in good faith in their representative capacity. If any representative feels that his independence is being abridged, he has the right to appeal to the Joint Committee for the removal of the discrimination.

Meetings.—The General Works Committee meets once a month and special meetings are held when necessary. The other committees meet regularly and special meetings are held when necessary.

Meetings of the committees are held on the Company's premises and time and pay. For any other work done by representatives in connection with their duties no pay is allowed.

Some of the members of the Management Committee and thirty-five out of the thirty-six members of the General Works Committee appeared as witnesses. Their testimony was to the effect that they were all willing to give the plan a fair trial and were hopeful that satisfactory results would come from it.

The following is the gist of the testimony practically in the words used by witnesses:—

The Works Committee has had an educational influence towards better understanding of relationships.

Men feel they have a channel through which they can get their grievances adjusted. Men find it easier to get in touch with the management.

The Committee is working intelligently and amicably and is representative of the men. Agreeably surprised at spirit with which everybody seems to enter into discussions. It is doing a whole lot of good. Hopeful that it will help to make conditions better in the plant and also in the homes.

Some form of organized works committee is of benefit to both parties. Both parties get confidence well established in one another. Unwarranted suspicions are lessened or removed.

Committees provide a means through which the management is able to talk to the men and tell them the conditions of the business, condition of the orders, prospects, etc. Management hopes to work out many of the problems which seem to be irritating now.

None of the witnesses who were members of the committees testified that the plan was useless. Some testified that they thought alterations in the plan would improve it and make it more satisfactory to the workmen. Some of these are under consideration. It was said: committee men are more or less in the position of mendicants; they cannot enforce any demands. Some members said they would like to see a Board of Arbitration to deal with any question which the Joint Committee could not settle to the satisfaction of both sides.

Some further information on the general principles underlying the plans of employees' representatives' committees was obtained by a study of them and by conversations at steel plants in the United States with representatives of the management and representatives of the workmen who had had experience in connection with them.

We record our warm appreciation of the great courtesy with which we were received at the several steel plants visited and of the opportunities which were accorded to enable us to obtain information upon the questions into which we enquired.

The following is a summary of what was learnt, and as far as practicable, in the words of the notes made at the time.

The employees' representatives' plan was adopted in the first instance to keep the personal sympathy and human touch with the men which was being lost by the size of the business and because of absentee management by directors.

Employees' representation has brought back part of the human touch which had been lost in big organizations. Employees' representatives' committees are approved by workmen because they are now better informed as to what goes on in the plant from the employees' point of view. Committees lessen friction between the men and the management.

Joint Committee meetings representing the management and the workmen are desirable to consider problems of mutual interest. They bring about better understanding and appreciation of mutual rights, obligations and interests.

Joint Committee meetings created a new attitude by employers and employed to each other out of which co-operation has grown instead of previous hostility.

The most important feature of the plan is the spirit in which the thing is worked and not the machinery of the plan.

Employees' representatives plans have been valuable in causing employees to take an interest in increasing production and efficiency.

On one plant where labour troubles had been frequent and serious this was said: The strong arm policy had been in use and a blacklist scheme was going strong. They had had a five months' strike. Something had been wrong in the management. Then the nature of the workmen's representatives plan was explained to the superintendents and foremen. They were asked to tell the men under them the nature of the proposed plan. In that way the workmen's representatives plan was brought into operation. The plan itself is a process of education. The feeling and spirit of satisfaction and co-operation has been greatly developed. At monthly joint meetings the management gives the men's representatives information about progress and prospects and intentions in respect to the business. The superintendent who does that, by taking the men into the confidence of the Company, is thereby dignified in the esteem of the men.

The main service of representatives' committees consists in promoting and preserving friendly relations continuously, not by strong arm methods but by conference, confidence and co-operation to get the best results.

The general points stressed by the workmen as being essential to the success of the plan are: On both sides, frankness, sincerity, truthfulness, integrity, confidence and good faith. These are all more important than the machinery of the plan.

The workmen seem pleased with and proud of the representatives plan and its results. One of them said they regarded themselves as disciples with a mission accepted by themselves to preach this gospel.

The general impression from inquiries regarding the working of the men's representatives' plans (received from both the management and the workmen) was to the effect that close friendly acquaintance between the two sides was being promoted, that team work for the most efficient carrying on of the business was being developed and that confidence and good-will were being increased.

Relations between the Employers and Employees

In general the relations between the employees and the Company have been friendly, depending somewhat upon the personnel of the management which was changed frequently. From 1916 to 1921 the Company was making a good deal of money and the wages had risen from an average daily wage of \$2.32 (January to May, 1916) to an average daily wage of \$5.20 from May, 1920, to January, 1921. From that time on there was increase of unrest among industrial workers from the disappointment caused by the pressure of hard times instead of the good times which were expected. No systematic and continued effort was made by the Company to explain the changed conditions of business.

There had been a decrease from the January, 1921, rate of \$5.20 per day to \$3.58 per day in 1922. There were increases in 1922 and 1923 which brought the rate in June, 1923, to \$4.54 per day. That was the average rate for employees including all skilled and unskilled workmen under the rank of foremen, and represented an average rate of 41 cents per hour.

Since 1917 efforts had been made by officials of the Amalgamated Association of Iron, Steel and Tin Workers of America to organize the workmen on the steel plant and to secure recognition of the Union from the Company. The Company had been continuously opposed to the organization of the men in unions and no encouragement was given to the organization of workmen's representatives' committees until the autumn of 1922.

The efforts to organize the workmen in the plant and to secure recognition of the Union were not successful. The number of members of the Union in good standing was about one quarter of the workmen employed on the plant when the June strike was called.

Because there was little other opportunity of employment at Sydney except with the Company, there was a growing feeling that the men might not receive fair treatment in respect to wages unless strongly organized in a union; and while a large proportion of the workmen were not actively supporting the union movement, at the same time they were willing and ready to take advantage of any means, such as the organization or action of a union, which looked like getting for them higher wages and shorter hours.

From 1922 the leaders of the union movement grew gradually more bitter against the Company. From that time on there was an interjection into the situation at Sydney of extreme statements by outside speakers representing Bolshevistic ideas as proclaimed by the Third International. These men are reported to have openly advocated revolutionary methods.

From January 1923, when the Company refused to concur in the application for a Board of Conciliation in respect to the questions in dispute the attitude and feeling on both sides became one of more distrust.

The general feeling and attitude of the workmen towards the Company as represented by the Board of Directors was not one of confidence and friendliness. There was a growing feeling against absentee management arising from the opinion that the directors cared only for the financial interests of the corporation and its profits and dividends.

The relations between the workmen and the superintendents of departments and also between the men and the foremen were generally satisfactory and considerate on both sides. They were much disturbed in the period between the February strike and the June strike (1923) by continuous talk of an impending strike to force the Company to do what the Union wanted.

The Company has not paid enough attention in the past to the essential difference between building and machinery equipment in materials and human equipment in men as factors in production and in the efficient carrying on of the operations. There is no sentiment in machinery which affects its smooth or rough running but there is a good deal of it in men.

The workmen in the steel plant are chiefly Canadian born, most of them in Nova Scotia. A small percentage of them are from Newfoundland. Rather more than one-tenth of them are of non-English speaking races and about eight per cent of them are coloured men from Barbadoes.

There is much to learn and gain in industrial relations through studying and recognizing the motives which influence men in their work. Nothing else can obtain from workers as good a quality of productive labour as can be secured from their own willing effort sustained by feelings of satisfaction. A working force satisfied that it is getting a square deal, and therefore more or less contented, naturally tends to do better work and accomplish more and better production than one which feels it is being treated unjustly.

The employees' representatives plan with a General Works Committee and Committees is a means whereby the management and employees can get together to confer upon questions of mutual interest and obligation and seek their settlement by full, frank discussion. Such contacts and conferences are not intended to impose settlements but to promote agreements and to provide regular and recognized opportunities in which mutual understanding can be promoted, confidence developed and co-operating goodwill brought into play in the relations between the Company and the workmen.

Hours of Labour

A great deal of testimony was received to the effect that the men considered the hours of labour too long. In the departments in which the continuous process practice obtains, such as the blast furnaces, open hearth furnaces and coke ovens, the work is carried on on the two-shift plan. That requires the day-

shift men to work eleven hours and the night-shift men thirteen hours. Once a fortnight when the men change shifts they work for a twenty-four hour change-over period.

A good deal of the work in connection with the continuous processes in the steel industry is quite intermittent in character. But when anything goes wrong the case is different and the twelve-hour day becomes a physical strain. The twelve-hour day with the seven-day week and the twenty-four hour change-over once a fortnight make a very exhausting combination.

A twelve-hour day followed steadily by any group of men for a considerable number of years means a decrease of their efficiency and a reduction of their vigour. The question of hours of labour has to be considered from a social as well as a physical point of view. A twelve-hour day in the plant means about thirteen hours away from his home and family for all the working days. That leaves little if any time for family life, recreation, social enjoyments and leisure.

Reference was made by witnesses to the fact that many steel plants in the United States had recently adopted the three-shift plan which meant an eight-hour day for men on the continuous processes and a maximum ten-hour day for other workmen. We visited several steel plants in the United States to look into this and other matters that had been referred to by witnesses at Sydney. The following are some of the points learnt in respect to this question during these visits:—

For many years there had been considerable agitation in the United States for bringing about the three-shift plan for the continuous processes in the iron and steel making industry. It had been in operation in a few plants of considerable size for a few years, but during the last half of 1923 the adoption of it became quite general.

Public opinion formed and ripened by various agencies and finally voiced by President Harding compelled it. The eight-hour shift has undoubtedly come to stay. As to the two-shift plan—never again.

Public opinion drove the steel makers away from the twelve-hour shift. Public opinion will compel the continuation of the eight-hour shift. A twelve-hour day is entirely too long. What is there in life for a man on the two-shift plan?

Public opinion in the United States is now definitely against the two-shift plan of operation. The twelve-hour day is inhuman. The three-shift plan is good and is here for good. Had hoped for the introduction of the three-shift plan for several years but did not see how it could be adopted in the face of competition until the time was ripe for its general adoption.

When the twelve-hour men engaged on continuous processes went on eight hours they got an increase of twenty-five per cent on the rate per hour. When other twelve-hour men went to ten hours they got an increase of ten to twelve per cent on the hourly rate. This has been the general practice where the change has been made.

The change from the two-shift to a three-shift plan in a typical iron and steel making plant calls for an increase in the total men on the plant of about twenty per cent. That increase would likely be slightly reduced as experience was gained.

It is only a question of a short time before the two-shift plan—eleven hours by day and thirteen hours at night—in the departments having continuous processes will be eliminated from the steel plants everywhere. Already the change has been made in European countries and either already has been made or is in process of being made in most of the steel plants in the United States.

We recommend that, in the interests alike of the Company and the workmen, early and earnest attention be given to the elimination of the twenty-four-hour change-over period and to the abolition of the seven-day week.

We recommend that the question of adopting the three-shift plan in the departments of continuous processes and a maximum of a ten-hour-day for the other workmen be given the most careful consideration. In our opinion the change would be advantageous to the Company and beneficial to the men and should be adopted. We believe that a thorough discussion and consideration of this question with the employees concerned would bring about intelligent co-operation and lead to a satisfied state of feeling by both the men and the management in respect to this matter.

Wages and Unemployment

A careful study of the evidence submitted to the Commissioners indicates that the employees (sometimes called Labour) want and the Commissioners believe they are entitled to:

- (1) Adequate wages,
- (2) Regular employment,
- (3) A real say, individually or collectively, on the conditions of working,
- (4) A fair share of industrial prosperity, and
- (5) A square deal from foreman and superintendents.

The Commissioners believe the investors (sometimes called Capital) deserve:—

- (1) Security of investment,
- (2) Fair returns on investment,
- (3) Capable management,
- (4) Contented well-paid employees, and
- (5) Continuous improvement in administration.

The public, which has granted several advantages to the steel industry and its allied coal industry through bounties, duties, etc., is concerned with such questions as:—

- (1) A sufficient supply of products at reasonable cost,
- (2) The maintenance of an industry through which employees will obtain wages adequate to maintain a decent Canadian standard of living,
- (3) Conditions under which the occupations of the workers will not impair health or debase life.

The Commissioners are of the opinion that the iron and steel industry at Sydney can be carried on to meet these desires and requirements. It has uncommon advantages in the easy accessibility to its plant of ore, coal and lime and in its situation at a seaport from which transportation by water is available. Workmen of excellent quality as to vigour, intelligence and general ability are available. The Commissioners believe that wise and considerate co-operation between the policy controlling directors, the operating management and the working employees can win success and satisfaction.

It is a matter of common report that the steel industry is one which has been characterized by intermittent periods of prosperity and depression. It has been regarded as good business to put part of the large profits of good years into some form of reserve fund instead of distributing all of them to shareholders. The fat years are thus made to carry lean years.

From 1916 until March 31, 1921, the Dominion Iron and Steel Company made large profits. In one year alone the Company enjoyed a net surplus of more than seven million dollars after meeting all charges and providing for depreciation, depletions, interest on bonds and dividends upon stocks. For

the period from the early part of 1921, when the first reduction in wages from their highest point was made, until June 1923, the receipts from sales of products, after meeting necessary expenditures such as those for materials and supplies purchased, wages, salaries and all other expenses, showed only a small profit from the operations of the plant before providing for sinking funds, depreciations, bond interest and dividends on preferred stock. From this it is evident that instead of making money during that period, from which if it had been made higher wages might have been paid, the Dominion Iron and Steel Company was drawing upon the surplus which had been accumulated in previous years of prosperity to pay bond interest and dividends on preferred stock.

The evidence submitted to the Commission shows that in a similar manner, but only to a comparatively small extent, the reserve fund of the company was drawn upon to provide employment and pay wages to about 700 men for a time during a period of business depression.

The Commissioners are of the opinion that while no legal right to any share in the surplus of a company, accumulated under such circumstances, belongs to the workmen of the plant it would be good business policy, in the interests alike of the shareholders and the employees, to regard the surplus to some extent as a trust fund to be used for the protection of the interests of the whole enterprise. The interests of the enterprise include, in a vital way, the interests of the employees and to a less extent the public interests of the community. The labour of the employees cannot justly be regarded as a commodity in the transactions between them and the company. The Commissioners do not suggest that the control of the surplus and the decision as to how it should be used should be withdrawn from the directors of the company; but the Commissioners do suggest that since the employees are a very important factor in the enterprise and may even be the determining factor as to its prosperity and continued success the company would do well through its representatives to discuss this question with representatives of the employees when changes in rates of wages are in contemplation and when the prospect of full and regular employment is not good.

Opinions and Recommendations

The Commissioners have expressed opinions in the body of this report in connection with questions dealt with in several parts of it. In this summary they restate some of these opinions together with the recommendations which they make to promote amicable relations between the employees and the Company.

Relations between the Company and the Employees

The Commissioners are of the opinion that the absence of any recognized organized means through which representatives of the men could confer with representatives of the Company prevented the development of amicable relations; and the Commissioners are further of the opinion that the employees' representatives plan with a General Works Committee and other Committees, which is now in effect on the plant, is a means whereby the management and the employees can get together to confer upon questions of mutual interest and obligation and seek their settlement by full frank discussion. Such contacts and conferences are not intended to impose settlements but to promote agreements and to provide regular and recognized opportunities in which mutual understanding can be promoted, confidence developed and co-operating good will brought into play in the relations between the Company and the workmen.

Hours of Labour

The Commissioners are of the opinion that the hours of labour have been excessively long in some departments of the plant under the two-shift system of operation.

The Commissioners recommend that in the interests alike of the Company and the workmen, early and earnest attention be given to the elimination of the twenty-four-hour change-over period and to the abolition of the seven-day week.

The Commissioners recommend that the question of adopting the three-shift plan (eight hours per shift) in the departments of continuous processes and a maximum of a ten-hour day for other workmen be given the most careful consideration. In our opinion the change would be advantageous to the Company and beneficial to the men, and should be adopted.

Wages and Unemployment

The Commissioners are of the opinion that the iron and steel industry of Sydney can be carried on successfully and amicably in such a way as to meet the reasonable desires and requirements of the workmen and the Company.

Since the steel industry is one which has been characterized by intermittent periods of prosperity and depression, the Commissioners recommend that in the interests alike of the shareholders and the employees the Company should discuss with representatives of the employees the question of drawing to some extent upon the surplus accumulated during fat years to tide the workmen as well as the shareholders over lean years when changes in rates of wages are in contemplation and when the prospect of regular employment is not good.

As an alternative, the Commissioners recommend that in the public interest some competent authority be directed to investigate and report upon the use which is made of such surplus funds of the Company.

Calling Out of the Militia

The Commissioners are of the opinion that the local police force was entirely inadequate to deal with the situation which had occurred at Sydney, that a riotous condition of mob rule prevailed for some days and nights and that the presence of the militia was necessary and beneficial.

The Commissioners are of opinion that it is desirable that the Militia Act should be amended in such a manner as to provide that a requisition requiring the active militia to be called out for active service in aid of the civil power may be made only by a judge and the Attorney-General of a province acting jointly in making the same and that the requisition should contain a statement by the Attorney-General of the province to the effect that he shall as soon as possible, and not later than one week thereafter, cause an inquiry to be made into the circumstances which occasioned the calling out of the active militia and send a report upon the same to the Minister of National Defence.

All of which is respectfully submitted.

(Sgd.) JAS. W. ROBERTSON,
Chairman.

(Sgd.) JAMES J. JOHNSTON,

(Sgd.) FRED BANCROFT,
Commissioners.

OTTAWA, February 9, 1924.