

Chapter 6

Trade Unions and Employment Stability at the Canadian Pacific Railway, 1903-29

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Introduction¹

In the early 1900s, few Canadian employers accepted trade union activity as part of the employment relationship. Some gradually learned to tolerate, even to benefit from, the activities of trade unions. Only a small minority of workers joined trade unions prior to 1917, but there was a sharp increase in membership around the end of the First World War.² Railways were among the first Canadian firms to bargain with their employees. Railway networks mushroomed as the proportion of the population living in the western half of the country more than doubled between 1901 and 1921, and the Dominion's total population increased by over 60 percent.

Trade unions are both a cause and an effect of increased job stability. As unions raise wages and improve working conditions, firms with collective agreements see lower quit rates. Once seniority rules become entrenched, longer employed workers preserve their advantages by not quitting, and they avoid all but the deepest layoffs (Freeman and Medoff, 1984). Workers are more likely to join a union when they feel that their working conditions and workmates are worth supporting, and these attitudes often develop as employment durations lengthen.

In the early twentieth century, the Canadian Pacific Railway [CPR] (Canada's first transcontinental railway) and the Grand Trunk Railway [GTR] (operating mainly in Ontario and Quebec) were the country's two largest employers. In terms of both its size, and industrial relations, the CPR was an outlier. From the early 1900s, the CPR negotiated with unions representing most skilled workers, at a time when

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² In 1919-20, membership was almost three times the 1911 level (Urquhart and Buckley, 1965, p. D412). For a survey of the development of Canadian trade unions, see Morton (1990).

North American railways generally at most bargained with workers in a small subset of skilled occupations. Across the railway industry, union recognition for many groups was gained in 1918, along with big wage increases and improvements in working conditions. In the US, union recognition was often lost soon thereafter, but in 1920s Canada, the wages and working conditions of virtually all semi-skilled and skilled railway workers were covered by union contracts.

Railways were among the first large enterprises to pay retirement pensions, and with the introduction in 1903 of a pension plan covering all regular employees, the CPR was in the vanguard of the railway pension movement. To determine possible eventual eligibility for a pension, records of hirings, promotions, demotions, and layoffs had to be maintained. The company has kept the summary employment record cards for all workers, even though only a tiny fraction ever qualified for a pension. I have constructed a sample of the records of about 9,000 CPR employees who began their employment in the Mechanical Department (which was responsible for building and repairing equipment), although many subsequently moved to other kinds of work within the company (MacKinnon, 1996, pp. 129-130). This chapter considers only Mechanical Department workers.³ Men in other departments were generally not in the shopcraft unions. The surviving records are longitudinal, and note each job, job location, wage rate, and reason for departure from time of first hiring until final departure. The two greatest locational concentrations of workers were Montreal (Quebec) and Winnipeg (Manitoba), the sites of the main railway workshops. While union membership was not noted, record cards show if the worker went on strike.

The firm, the workers, and firm-union relationships all matured over this period. In the early 1900s, new hires were mainly men in their twenties, with most new employees quitting after a few months. As several short-stay workers could pass through a given job in the course of a year, observing the workforce on particular days gives more prominence to the men with greater attachment to the firm (Table 6.1). Even in 1908, the typical worker in the sample had been employed at the CPR for at least two years (not necessarily in one uninterrupted spell). Workforce size expanded rapidly up to the outbreak of the war. By the mid 1920's, with overall employment no longer trending upwards, the company was mainly hiring (or re-hiring) men in their mid thirties. Many job spells were still quite brief, but most jobs ended due to layoffs, not quits (Hamilton and MacKinnon, 1996 a and b). Jobs at the CPR were worth holding onto, and worth coming back to, so the company laid off temporarily surplus workers.

By the 1920s, on any given day, there were few employees who would end up with less than ten years of work at the CPR (panel iii of Table 6.1). Almost all workers already had at least three years of CPR job experience. The median worker was aged about 40, not about 30. The proportion in skilled positions was about the same, but more of the workforce had experienced a promotion across skill levels.

³ Many of these workers performed the same tasks as the men in the Hirsch and Reiff sample of Pullman workers (Ch. 7). The CPR did not use Pullman cars. As well as building and maintaining passenger coaches, workers in my sample built and maintained locomotives and freight cars. Tiny numbers performed clerical tasks, or were foremen or higher managers.

Occupational upgrading was most common when labour markets were tight (MacKinnon, 1994).

Unscrambling the reasons for changes in the characteristics of workers and their willingness to work for the CPR is complicated. While my primary focus is on the role of trade unions, other influences cannot be ignored. The CPR had completed its period of rapid expansion of track and freight carried by 1914. The shakeout of recent hires caused by the downturn of 1914, and then the drawing off of young men into the armed forces, speeded the formation of a stable core of older workers (MacKinnon, 1994).

Table 6.1 Characteristics of the Mechanical Department Workforce

Year and Region	1908		1914		1918		1922		1928	
	E	W	E	W	E	W	E	W	E	W
Months worked to date										
25% cut-off	12	12	13	20	12	28	41	55	46	57
Median	26	26	34	41	34	69	73	102	118	121
75% cut-off	57	64	79	89	107	133	142	174	188	198
Age										
25% cut-off	24	25	24	26	25	32	30	33	29	32
Median	31	31	30	33	34	38	38	41	41	41
75% cut-off	39	37	38	39	43	44	47	48	50	50
Eventual total months worked										
25% cut-off	39	42	32	50	47	94	158	219	182	217
Median	98	137	110	155	179	282	318	346	337	347
75% cut-off	337	365	339	421	389	423	441	451	453	453
Percent with skilled jobs										
	48	37	43	38	49	43	47	44	52	36
Percent with upward mobility to date										
	28	36	33	34	40	54	43	52	41	51
N	270	180	369	259	359	243	358	236	413	297

Note: Calculated for workers in with jobs in Mechanical Department, present on 1 May, working in Canada. 'West' includes Manitoba, Saskatchewan, Alberta, and British Columbia. 'Skilled' includes workers in managerial as well as skilled craft jobs. Time worked includes employment in branches of the CPR other than the Mechanical Department.

After a period of very rapid expansion (including the construction of two new transcontinental railways), most of the CPR's competitors went bankrupt, and nearly all were amalgamated with the existing government-run lines to form the Canadian National Railways. Thus finding a job with another railway became much more difficult after 1918.

This chapter examines how the interaction of craft unions with the firm changed over time. Early in the century, the CPR apparently at most tolerated the existence of these unions. By the late 1920s the company had moved well beyond toleration, with the *Machinists' Monthly Journal* (Aug. 1931, p. 454) describing the situation as one of 'teamwork and cooperation.' CPR managers were learning that union leaders as well as foremen dealt with grievances and discipline problems and so helped to maintain peace (Flood, 1964).

To better understand the transition, this chapter focuses on the two main periods of industrial unrest in the Mechanical Department: 1908, when there was a major strike to protest wage cuts and job reclassifications, and 1918-22, when the strains of the war and of post-war readjustment worked their way through the railway industry. My intent is to uncover the lessons of industrial action for managers and workers, and to examine how worker characteristics influenced willingness to strike.

Unions and North American Railways before 1914

The running trades brotherhoods (engineers, firemen, conductors, and trainmen) were among the earliest, and most powerful, trade unions in North America. Engineers and conductors were the highest paid railway workers. Even firemen earned much more than the skilled craftsmen in the Mechanical Department. Once any railway was past its very earliest days, almost all engineers and conductors were recruited internally. If running trades workers left one railway, there was good reason for them to look for a job on another, as their human capital was very largely industry-specific. Striking engineers and conductors could stop or severely disrupt train service, so it is no surprise that by about 1900 the brotherhoods signed contracts with most North American railways (Richardson, 1963; Licht, 1983, p. 265). To ensure safe train operation these workers had to be highly disciplined. It was in the interest of their peers to ensure that all brotherhood members maintained high standards of conduct. The running trades brotherhoods are an ideal example of the role of unions in maintaining an ethos of self-discipline and reliability.

The tradesmen in the Mechanical Department (mainly machinists, blacksmiths, carpenters, and boilermakers) did not belong to the brotherhoods, and there was one union for each set of craftsmen and their helpers. Unskilled workers (labourers and cleaners) were not unionized. Part of the knowledge of railway shop workers was railway specific, but unlike the running trades, men with the same craft qualifications were employed in other industries. These workers thus had less of an incentive to band together to improve railway pay and working conditions, as they were not tied to the railway industry in the same way that locomotive engineers and conductors were. They also had a weaker ability to impose terms on their employers because they were more readily replaceable.

Relative to men in the running trades, shopcraft employees were dispensable, but there was more reason to enter into collective agreements with shop workers than was the case for craftsmen in many other industries. Shopmen could be replaced, but

employers needed at least a core of stable workers. Most early Canadian locals of the international metal trades unions were in railway centres.⁴ Joining a union was one thing, securing a collective agreement quite another. While in 1890 the first Canadian IAM local was formed in Stratford (Ontario), a Grand Trunk Railway town, the GTR remained open shop until 1918 (Forsey, 1982, pp. 247-259). The CPR, however, signed its first contract (with workers employed on western lines) in 1899, and never returned to open shop status.

Thus one of Canada's major railways was fairly willing to live with unions, while the other was not. As competitors to the CPR established themselves in the west, their shopmen negotiated collective agreements. This was probably not a matter of chance. Skilled workers in the west were harder to replace than skilled workers in the east. A contract on a big railway meant more to the fledgling unions than a contract on a small railway, so unions concentrated organizational efforts on the bigger lines.⁵

The Dominion government was worried by outbreaks of industrial unrest, which it feared were becoming more frequent. The Industrial Disputes Investigation Act (IDIA) was introduced in 1907, with the aim of reducing labour strife. This act covered firms such as railways that were generally large employers and often monopoly providers of an essential public service (Craven, 1980, pp. 271-317). Both unions and employers frequently claimed that the provisions of the IDIA benefited their opponents. The IDIA required that before a strike or lockout began, the parties to the conflict submit their grievances to a board composed of a representative of the employer, a representative of the workers, and an independent member. The board made recommendations for solving the problem, which could be rejected by either side.

The 1908 Strike

The CPR shopmen were among the first workers affected by the IDIA, and the strike that followed the unsuccessful attempt at conciliation was one of the largest in Canada in the pre-war period (up to 8,000 workers were on strike for two months). While the workers lost the strike, they maintained union recognition.

1908 was a year of high unemployment, and the CPR saw a sharp fall in earnings after two very good years (Lamb, 1977, p. 441). The boom in western Canada meant that benefits had been flowing to railway workers. On western lines, CPR shopmen enjoyed higher wages and better working conditions than employees on competing roads in Canada and the US. The company saw the opportunity to trim expenditures in the west by shifting work away from the most skilled employees towards those

⁴ Perlman (1961) discusses the role of railway machinists in the International Association of Machinists (IAM).

⁵ Total length of line is strongly associated with the probability of having a contract with the IAM in 1909. Of other observable characteristics of the major North American railways, there is possibly some positive effect for railways operating in the west. Measures of profitability did not have a systematic effect.

with a more narrow range of knowledge, and increasing the ratio of apprentices to mechanics. In a direct threat to the unions, the company stated it would no longer recognize grievance committees.

The unions' first response was to accept these developments, on condition that there would be no further layoffs. However, layoffs continued (more in the east than the west), and the company demanded agreement for an across-the-board pay cut (*MMJ*, July 1908, p. 624; Jan. 1909, p. 24). The unions saw the CPR move as part of a much broader anti-union campaign by North American railways (*MMJ*, Dec. 1908, p. 1093). An immediate strike would have been illegal, so the unions promptly invoked the conciliation mechanism of the IDIA (*LG*, Aug. 1908, pp. 151-160).

The majority of the board proposed a compromise solution. They sided with the unions on some key points: statements that 'the men have abundantly proved that they are entitled to committee representation' and 'except in so far as the present schedules are altered by the rulings as above, they shall continue in force' are hardly union busting (*LG*, Aug. 1908, pp. 156-157). The majority also opposed allowing machinists' helpers to use tools. Otherwise, the majority report largely favoured the company's position. The minority report, by an IAM Vice-President, was, not surprisingly, much more sympathetic to the workers' case.

The CPR declared itself willing to accept the majority report. Thus far, the IDIA seems to have worked the way the Department of Labour hoped it would. The workers, however, voted 97 percent against accepting the majority report. This rejection lost the unions some political capital. The CPR subsequently claimed that it had compromised, while the workers would not. Pro-CPR editorialists interpreted the IDIA to mean that if a union applied for a conciliation board, it was morally bound to accept the majority report.

A period of high unemployment is rarely a good time to launch a strike, and the union leaders, at least, were well aware that times were bad. However, if train operation could be disrupted during the harvest, the annual traffic peak, the company might make some concessions (*MMJ*, Dec. 1908, p. 1093). Union leaders in other industries were more cautious – there were fewer strikes in Canada in 1908 than in any other year from 1899 to 1914.⁶

The strike began on 5 August. Western workers were much more likely to join the strike than were men in the east. Regional differences in the proportions going on strike must be considered in light of the regional occupational composition of the workforce. Car department employees, a large fraction of whom worked in Montreal, were much less likely to strike than other employees. In 1908, most of the men building or repairing cars were woodworkers. The key money issues affected metal trades, not wood, workers. In addition, job losses over the previous few months had been much greater in Quebec and Ontario than in western Canada, so that employees had more reason to fear that they would not get their jobs back.

Skilled workers were most likely to be union members, and in eastern Canada they were the most likely to join the strike (about 60 percent went out). Almost no unskilled workers joined the strike in the east, which is not surprising as they would

⁶ Kealey and Cruikshank, 1995, pp. 391-394. Huberman and Young (1999, p. 221) note that few strikes were won in years of cyclical downturn.

not have been union members, nor affected by the main matters at issue. In the west, however, over a third of the unskilled workers struck, along with 80 percent of the semi-skilled and skilled workers.

If the first rule of when not to call a strike is 'when unemployment is high', the second must be 'when the union has no strike fund.' While newspaper reports suggest that strike pay was anticipated, the only union able to provide regular strike benefits was the IAM.⁷ Other unions paid little or nothing. In August, however, temporary work was available for harvesters on the prairies.

CPR shop workers in 1908 were generally young men, as Table 6.1 shows. Most workers already had a continuing relationship with the CPR – not long by the standards of the 1920s, but few were raw recruits. Why were the men willing to strike? After the fact, an elderly IAM member complained that 'the vote taken on a strike is wrong entirely on principle, for the younger and less experienced men want it for holidays and to see what it is like and they are generally in the majority. Some of them predict a settlement in a week or two and they go out with a hurrah on strike' (*MMJ*, Jan. 1909, pp. 72-73). Many young men would have been without either dependents or past experience of difficult strikes.⁸ Once the strike was called, there was little difference by age in the propensity to participate.

The capacity of the unions to interfere with the company's operations depended heavily on their ability to keep new workers from being hired. On 15 August the company announced that on the 18th it would begin to fill the vacancies caused by the strike. In small railway towns, this meant the eviction of strikers from company housing.⁹ Strikers later rehired would be treated as new workers. Men over forty would thus forfeit eligibility for a pension, and all would lose accumulated seniority (*La Presse*, 17 Aug. 1908). In mid-August there were frequent press reports that substantial numbers of strikers were returning to their jobs, and just as frequent denials by union leaders that this was happening (*MDS*, 18 Aug. 1908). The CPR sample bears out the claim of the union spokesmen; only a handful of strikers went back to work before the strike was called off.

The company advertised for 'first-class Machinists, Boilermakers, Blacksmiths, Car Inspectors and Car Men. Only competent and reliable men need apply...' (*MG*, 22 Aug. 1908). Many of the men hired in central Canada were sent west (*MG* 22, 25, 26, 29 Aug. 1908). By the beginning of October, employment had returned to the immediate pre-strike level in eastern, but not western Canada (Table 6.2).

⁷ The IAM paid benefits to 2,400 men (*MMJ*, Jan. 1909, p. 44). *La Presse* (8 Aug. 1908) refers to strike pay of \$8 for married men, \$6 for single men. There are other reports of \$5 to \$8 for a variety of metal workers (*MG*, 21 Aug. 1908; *MDS*, 21 Aug. 1908; *MMJ*, Dec. 1908, p. 1105). *MG* (22 Sep. 1908) reported car workers in Toronto who had yet to receive any strike pay. Strikers from the Angus shops in Montreal collected the last instalment of their July earnings on 14 August (*MDS*, 14 Aug. 1908). Fully employed skilled men in the east earned about \$18 a week, in the west about \$24 (MacKinnon, 1996, p. 118).

⁸ Western boilermakers and machinists had struck, briefly and successfully, for higher wages in 1904 (*LG*, Oct. 1904, p. 399).

⁹ Evictions at Chappleau and Schreiber, Ont. described in *MDS* (19 Aug. 1908); evictions at McAdam Junction, N.B. in *MDS* (30 Sep. 1908).

Throughout, and long after, the strike, the unions claimed that strikebreakers were substandard workers. Much was made of the employment of Japanese car cleaners and labourers on the prairies.¹⁰ It was later asserted that ‘the gin shops and rum caverns of England and Scotland played ... an important part in the strike...’ (*BJ*, Oct. 1909, p. 25). The company stated that workers brought over from Britain were ‘far superior to the ordinary class of mechanics available in this country or the United States...’ (*MDS*, 11 Sep. 1908). There were rumours, and official denials, of equipment in bad condition, broken down locomotives, and concern by running trades employees about the safety of train operation (*MDS*, 11 Aug. 1908; 11 Sep. 1908).

The CPR had to rely more heavily on new employees in western Canada, where a higher proportion of workers had gone on strike. Few of those hired during the strike, and still present at the end of September, had any previous work experience with the CPR (Table 6.2). Probably only a minority of the new hires lived in Canada in August 1908.

Table 6.2 Characteristics of CPR Mechanical Department workers, 30 September 1908

	East	West
% At work 4 Aug. 1908	56	40
% Not at work 4 Aug. 1908 but previous CPR work experience	11	7
% First hired 5-31 Aug. 1908	16	23
% First hired 1-30 Sep. 1908	17	30
% in skilled or managerial positions	43	47
% in unskilled positions	22	15
Number employed	255	155
Employment relative to 1 Aug. 1908	0.99	0.86

Note: Calculated for CPR workers in Mechanical Department jobs in Canada

The unions believed that the Alien Labour Act – the second piece of legislation that was supposed to regulate the conduct of strikes – would prevent the CPR from recruiting in the US and the UK. The CPR interpreted the Alien Labour Act to mean that it could not recruit in the US (*MDS*, 20 and 21 Aug. 1908). The company did not hire men in the US, or pay their passage to Canada, but job seekers who arrived in Canadian border towns were hired and transported within Canada.

The British were not aliens. Therefore, the Alien Labour Act did not apply in Britain, where business was also slack. Another reason for recruiting in Britain was the importance of the Amalgamated Society of Engineers (ASE) there, as relations between the IAM and the ASE were often strained (*MDS*, 18 Aug. 1908). The CPR advertised in the British papers for skilled men and mechanics’ helpers (*MDS*, 8 Sep. 1908; *MG*, 8 and 12 Sep. 1908). The CPR was in a particularly favourable position to

¹⁰ *MDS* (10 Aug. 1908), referring to events in Winnipeg and Brandon and (7 Aug. 1908) Calgary.

recruit in Britain as it had offices in major cities and operated a line of trans-atlantic steamships.

Almost all new workers were hired to fill semi-skilled or skilled positions. Few of these men would have a career at the CPR. The median total time worked of the new hires was only 1.5 months, with three-quarters employed for at most five months.¹¹ Of the men who left by the end of October 1908, roughly 80 percent were listed as quitting; about ten percent were dismissed.¹² While at the end of September about half of the workers in western Canada, and a third in eastern Canada, had been first hired since the strike began (Table 6.2), the proportions dropped to ten percent and 15 percent in December. By the summer of 1910, only about four percent of workers had been first hired as strikebreakers.

By the end of September, with strikebreakers arriving by the boatload, the harvest over, and precious little strike pay forthcoming, the strikers' position was dismal. In an attempt to bring the strike to an end, the Manitoba government got involved in negotiations, mostly over the reinstatement of strikers, and in early October, the strike was called off, with the unions accepting the IDIA Majority Report. The problem for workers on the eastern lines was that it was much easier for western workers to get their jobs back. More of the western workers went out initially, and fewer had been replaced (Table 6.2). Most post-strike employment growth was in the west, and so new positions came up faster. Thus western strikers could go back to the CPR if they wanted to, and they generally did. With the possible exception of loss of pension entitlement (and not many strikers were over 40), the cost of the strike was limited to two months wages. In Montreal, some workers, and more clearly the press, blamed western union leaders for encouraging the eastern men to go out on strike, and then abandoning them (*MG*, 8 Oct. 1908).

What lessons could workers have learned? They should have noticed the role of market forces: demand for skilled workers was higher in the west and therefore wages and working conditions were better there both before and after the strike. The legal framework was unlikely to assist workers in winning future strikes. The Alien Labour Act would be irrelevant for a strike lasting more than a few weeks. American strike breakers could come to Canada independently, and the railway could recruit and pay the transportation costs for British strike breakers. Most immigrant strikebreakers would reach central Canada before western Canada, again favouring the position of western workers. The IDIA offered workers some protection. Thus using the IDIA to get the most favourable majority report possible, but not going on strike thereafter, would likely be the best option.

What lessons could the CPR have learned from the strike? The company could win, but at considerable cost. Strikebreakers were not good replacements— substitute workers, even in a time of high unemployment, were not stable employees.¹³

¹¹ In August - September 1905-07, median total time worked of men first hired was at least six months.

¹² For most of the other 10 percent, the reason for departure was unclear. Only one man is listed as having joined the strike.

¹³ There are a few press reports of intimidation of strikebreakers (*MG*, 7 Oct. 1908). After the strike, the company posted notices in the shops warning that 'Any interference whatsoever by

Threatening the loss of pension entitlement was not an effective deterrent. The CPR stuck to its guns on this issue, and never gave a pension to former strikers who were over 40 when they were rehired, but it is doubtful that in 1908 workers believed this would be so. They only learned the truth in the 1920s. In 1909, the company introduced a form of piecework payment at the Angus shops in Montreal (Nahuet, 1984). Given the standard objection of unions to piecework, the relative weakness of the unions in the post-strike period was probably important in explaining the timing of this innovation, but relatively few workers were paid by piecework, and this was a small proportion of their earnings. The company never introduced piecework in western Canada.

As the next several years were prosperous, and railway business was booming, it is probably no surprise that the CPR and the shopcraft unions had no serious cause for conflict. In the US, the IAM lost several big strikes, which greatly depleted its funds, and this may have further encouraged peace in Canada (Perlman, 1961, pp. 31-32). By this time, the CPR had a substantial core of stable employees, although plenty of short-term workers as well. The sharp economic downturn of 1914/15 led to severe job cuts in the Mechanical Department, mainly of workers with little seniority. The company did not, however, challenge the unions. Industrial peace was thus preserved (if not jobs for a substantial fraction of union members).

Industrial Unrest and Centralized Wage Bargaining, 1917-22

Unrest over inflation, demands for better working conditions, and the resulting conflicts between employers and workers are standard parts of any account of industrial relations in the 1917-1920 period. The Canadian railways are no exception, but railway wage negotiations were in some respects highly unusual as centralized, continent-wide, pay scales were adopted. National pay agreements on the railways are one sign of decreased labour market flexibility (Eichengreen, 1992, p. 217). The elimination of regional wage differentials exacerbated discontent over inflation in the areas with the highest pay rates and living costs up to 1918. The willingness of many western, but few eastern, Canadian railway workers to leave the international unions for the One Big Union (and then to participate in the Winnipeg General Strike) is likely related to the introduction of uniform wage rates, since western workers gained much less from the centralization of wage setting.

Both the US and Canadian federal governments were slow to allow railway rate increases (Cruikshank, 1991, pp. 127-155). Not surprisingly, railway companies granted few and small wage increases. Some of the industries that expanded most rapidly, particularly munitions and shipbuilding, employed large numbers of metal trades workers and paid well. Thus railway shopmen saw their wages falling behind those of men with similar occupations.

any employee of the company with another ... on or off duty, will be sufficient cause for dismissal' (*MG*, 10 Oct. 1908).

In the later war years, quit rates from North American railway shops were high.¹⁴ Immigration from Europe was virtually zero, and railway workers were drawn into military service (MacKinnon, 1997a). However, railway managers could plausibly foresee that higher wages granted on account of supposedly temporary inflation and labour shortages would likely turn into permanent increases. The railways, unlike the shipyards, would maintain a high volume of business and therefore employment after the war, so that the long-term consequences of wage hikes were greater.

In the later war years, the CPR was one of the few North American railways that did not experience a massive change in the way it was operated. Most other Canadian railways were at or near bankruptcy, and were being (or were about to be) nationalized (Cruikshank, 1991, pp. 213-214). In the United States, the federal government temporarily took over the railways at the end of 1917. Faced with unprecedented difficulties, and rapidly evolving ownership and management structures, railways would perhaps have been too overwhelmed with other problems to make decisions about raising wage rates even if freight rate increases had been authorized.

In March 1918 Canadian and US shopcraft employees demanded continent wide uniform wages (*BJ*, Apr. 1918, p. 12). Negotiating for the same wage for all workers by skill level across all railways was made somewhat easier by the decision of the Canadian railway system federations to affiliate with the Railway Employees' Department of the American Federation of Labour (R.E.D.). The shopworkers formed Division 4 of the R.E.D, with headquarters in Winnipeg.

The Canadian government wanted the railways to negotiate with Division 4 (Bercuson, 1990, p. 70). The Canadian Railway War Board, originally established to increase cooperation between railways on matters such as train schedules, soon began discussions about shop wages and working conditions (Cruikshank, 1991, p. 135). By that time, several other railway wage disputes had been the subject of IDIA conciliation board hearings, with boards recommending that wage claims await a decision about US railroad wages. The original McAdoo Award of May, 1918 (named for William McAdoo, the director of the US Railroad Administration) did little to quiet union demands for raises in either country, and further conferences took place, this time with federal government representatives participating. There were threats of national shopmen's strikes on both sides of the border. It is hard to tell how genuine this threat was. Most of the wartime Canadian leaders of the shopcraft unions had also been union leaders in 1908. A substantial fraction of the CPR workers employed in 1918 had participated in the 1908 strike, and several big US railway strikes had also been lost in the last few pre-war years.¹⁵

In mid-July, the Canadian railways agreed to increase shopmen's wages, according to the US awards. In return, the railways were allowed to raise freight rates sharply (*BJ*, Sep. 1918, p. 17; *LG*, Aug. 1918, pp. 615-616; *BJ*, Aug. 1918, p. 42; Cruikshank, 1991, pp. 144-145). Far fewer classes of tradesmen and helpers

¹⁴ *RME* (Jan. 1919, p. 22) and McAdoo (1931, p. 456) are about the US, but similar conditions prevailed in Canada.

¹⁵ 13 percent of the Mechanical Department workers in the east, and 25 percent in the west, employed on 1 May, 1918 had struck in 1908.

were recognized than had been the case in the past, so that most workers were assigned to one of a small set of hourly wage levels. While there were big increases in hourly rates in 1918, some unionized metal workers in war industries did even better (*BJ*, Aug. 1918, p. 42; Oct. 1918, p. 19).

That the Canadian government and railways were willing to be bound by decisions taken in Washington was a classic Canadian solution. Tying the Canadian wage increases to US wage increases reduced the danger of labour trouble. Canadian railways had always set wages while keeping an eye on conditions in the northern US. A good deal of traffic could be routed over either Canadian or American railways; similar pay rates helped to keep costs in line. If the international unions agreed to an offer in the US, they were almost certain to accept the same offer in Canada. By 1918, it was clear to everyone that substantial wage adjustments were essential, but in this labour-scarce situation it was not obvious how much firms had to concede to keep workers on the job. The standard set in Washington would be used to judge any Canadian offer. Lower offers would very likely have been rejected immediately.

The 1919 wage negotiations were again protracted, with Canadian railroad shopmen threatening a nationwide strike in June (*BJ*, Jul. 1919, p. 21). Up to half of US shop workers went on unauthorized strikes in the spring or early summer (*RME*, Aug. 1919, p. 457). Eventual wage hikes were modest, as the US Railroad Administration believed that the cost of living would soon drop (*LG*, Dec. 1919, p. 1489). Workers gained many concessions about working conditions in this round of bargaining. Some of these had an immediate impact on earnings (such as the requirement to pay overtime when more than eight hours were worked), but others showed the importance to workers of improving long-term job prospects and increasing employment stability for experienced workers. In particular, the role of seniority in allocating better jobs was greatly strengthened: 'the oldest employee in point of service shall, if sufficient ability is shown by trial, be given preference...' and seniority was to govern in cases of layoffs (*LG*, Dec. 1919, p. 1491). Back in 1906, an agreement with CPR boilermakers on western lines had stated 'When a reduction of expenses becomes necessary men who have others depending on them shall be given the preference of employment, character, seniority and proficiency to govern' (*LG*, Nov. 1906, p. 521). Seniority was no longer one consideration in determining layoffs – it was the only criterion.

The cost of living did not peak in 1919, so that in the first half of 1920 there was further agitation for wage adjustment and increases in freight rates. In Canada, the federal government again made it clear to the railways that a national rail strike was to be avoided. In the US, there were many wildcat strikes (*MMJ*, Aug. 1920, p. 763). The 'Chicago Award' of July 1920 gave most shop workers a healthy raise. Once again, the parallel Canadian agreement was signed about a month later.

After roughly three years of unrest and negotiations, railroad shopmen in the US and Canada, or at least their union leaders, had achieved a very substantial proportion of their aims. The eight-hour day was firmly established, the vast majority of employees of all railways belonged to trade unions, and a set of work rules with a very strong emphasis on seniority regulated promotions and layoffs.

The cost of living finally began to fall in the summer of 1920. Experience with the work rules imposed by the agreements of 1919, coupled with the wage increases of 1920, the decline in price levels in late 1920 and 1921, and reductions in wages in other industries, all increased employer discontent (*CRMW*, April 1921, p. 187). Given the bargaining patterns established over the previous several years, the timing and extent of wage cuts and alterations to working conditions in Canada continued to be heavily influenced by US events.

The return of US railways to private control in March 1920, a new government board to adjudicate railroad labour disputes (the Railroad Labor Board), and a change in the political complexion of the US federal government, all weakened the unions' bargaining position. Some American railroads, especially those like the Pennsylvania that had been non-union in 1917, moved aggressively to return to open-shop status. More commonly, railroads wanted to eliminate standard rates of pay and working conditions, re-introduce piece rates, and lower wage rates (*CRMW*, Apr. 1921, p. 187; May 1921, p. 263; July 1921, p. 373; Sep. 1921, p. 473; *MMJ*, Dec. 1921; Channon, 2001, pp. 238-244; Wolf, 1927).

The open shop railroad in Canada had always been the Grand Trunk. Only in 1918 did it begin serious negotiations with the shopcraft unions. By 1921, the GTR was being folded into the Canadian National system (CNR). The other constituent elements of the CNR had been unionized, and a drive to eliminate unions on a government-controlled railway was highly unlikely. While the McAdoo Award and subsequent agreements very significantly altered wages and working conditions in Canada, the scale of the changes was more modest than for many American railroads. In 1921, the Canadian railways wanted to lower wage rates, limit overtime payments, and remove some featherbedding rules; they did not want to smash the unions.

In the summer of 1921, the shopcraft unions and the Canadian Railway Association (successor to the Canadian Railway War Board) agreed to cut wages by the same amount that they had recently been cut in the US (*CRMW*, Aug. 1921, p. 426). Many questions about working conditions, employment rules, and overtime were brought to the US Labor Board, and several decisions scaled back the immediate post-war labour gains (*CRMW*, Jan. 1922, pp. 24-25). Once again, Canadian railways followed suit with similar requests, which were generally granted (*LG*, Jul. 1922, pp. 771-772; *CRMW*, June 1922, pp. 284-285).

The big break between the US and Canada came in the summer of 1922; the US shopmen began a long and disastrous strike, while Canadian railroaders stayed on the job. The US railroads had applied for further wage cuts in early 1922 and the Labor Board ordered reductions. This provoked a national shopmen's strike (Davis 1997). In Canada, the railways proposed the same wage cuts. The shopmen, using the IDIA, asked for a board of arbitration, and took a strike vote that passed with 97 percent of votes in favour. The Prime Minister asked the railway presidents to restore the pre-16 July wage rates until the board made its decision; the railway presidents agreed (*CRMW*, Jul. 1922, pp. 361-362; Aug. 1922, pp. 401-404; Sep. 1922, pp. 453-455). The majority report of the IDIA board recommended that the wage cut be implemented, but on a temporary basis (*LG*, Sep. 1922, pp. 942-947).

The situation in the US continued to play an important role in shaping decisions taken in Canada. In early September, the (American) President of the RED advised against launching a Canadian strike, and the federal government leaned on both the railways and the unions to continue discussions. As ever, a strike during the autumn would be much more effective than a strike during the winter. The negotiations went nowhere, and another strike ballot was taken in late October, but it appears that this vote failed. Reluctance to strike was no surprise. By October, the US strike was largely lost. Unemployment rates were high, and with the onset of winter could be expected to climb. Railway employment prospects were bleak, particularly as the CPR closed down its passenger car shops for several weeks in October, and the unions had to accept that the wage cuts were permanent (*CRMW*, Nov. 1922, pp. 563-564; Dec. 1922, pp. 613-614; *MMJ*, Nov. 1922, pp. 744-745; *LG*, Apr. 1923, pp. 403-405).

The big difference between the US and Canada was that by avoiding a strike, the principle of national agreements was maintained. The IDIA slowed down the process of negotiation and confrontation. By the time the Canadian workers were in a position to strike, the Americans were in serious difficulty. The shopcraft unions lost a large fraction of their members in the US as a result of the 1922 strike, and many railroads introduced company unions.¹⁶ Canadian railway workers above the grade of labourer, by contrast, remained fully organized.

The Winnipeg General Strike

Around the end of the war, all kinds of strains were placed on the population, and radical political solutions gained both publicity and considerable acceptance everywhere. The previous section suggests that this period was remarkably peaceful in the Canadian railroad industry. Despite repeated threats, last-minute negotiations averted strikes by the international unions. It seems that the craft unions and the employers had learned what they could demand, and when they had to give in. Reality on the labour front, however, was not so peaceful. Many CPR workers went on strike against the advice of the international unions.

Canada's most famous strike was the Winnipeg General Strike of May-June, 1919, which effectively shut down the country's third largest city for over a month. The General Strike was a sympathy strike in support of building and metal workers outside the railways. The CPR shopcraft workers who went on strike in 1919 participated in the Winnipeg General Strike, or in strikes called in other western cities in support of it. For these railway workers, the tension that came out in the Winnipeg General Strike had been exacerbated by the ending of regional wage differentials. Until about 1917, CPR workers in western Canada could note clear gains from participation in the international unions. In 1918-19, their relative position deteriorated, and many ignored their craft unions' calls for restraint. CPR

¹⁶ At the end of 1923, 70 percent of American railroads had company unions, and these were disproportionately the larger firms (Davis, 1997, pp. 237-238). The Pullman workers studied by Hirsch and Reiff in Ch. 7 lost their unions as a result of the 1922 strike.

shop workers in Montreal were unlikely to have felt the same way given that they did much better out of the 1918 wage agreements.

North American railway wage rates had always been higher in the west. The CPR system was divided at Fort William (in northern Ontario), with separate collective agreements covering workers in each half of the country. The McAdoo Award and its supplements established virtually identical wages and working conditions for railway shop workers throughout both countries. The elimination of regional pay differentials provoked remarkably little discussion at the time and less consideration since.¹⁷

When the unions asked for uniform nationwide minima in 1918, they wanted inflation adjustments based on prevailing western wage rates. Why the US Railroad Administration (USRA) adopted uniform national wage rates is unknown. Administrative simplicity allowing for speedy implementation was probably important. After the fact, the USRA claimed that a national agreement reduced dissatisfaction with local conditions and therefore overall quit rates (*RME*, Apr. 1920, pp. 233-235).

Despite their complaints that the government was slow to take decisions and arbitrary in some of those it made, the craft unions recognized that federal government control of the US railroads worked very much in their favour. Government controlled railways bargained with the craft unions; under private ownership many had not. Therefore union leaders encouraged the men to accept the deals hammered out in Washington (and copied almost exactly in Montreal) on the grounds that they were a great step forward for a large proportion of the railway workforce.

Such arguments rang very true in the US, but were less accurate for Canada, particularly for western Canada. CPR shopmen were unlikely to join the One Big Union unless they became disaffected from their international union. The introduction of nationwide minimum wage rates is almost certainly a key reason why railwaymen in western Canada were so disappointed by the McAdoo Award and infuriated by international unions' acceptance of it.¹⁸ In July 1918, western union representatives were so angered by their eastern brothers' willingness to accept the uniform wage proposals that they 'walked out of bargaining headquarters in disgust and boarded a Winnipeg-bound train' (Bercuson, 1990, p. 71). In early 1917, the average CPR fitter or machinist on the Prairies was paid 50 cents per hour, in Quebec, 40 cents. In early 1919, the average Quebecer, at 69 cents, was paid a penny more per hour than the average man on the Prairies (MacKinnon, 1996, p. 118).

Contemporaries did not express the complaint this way -- unions were committed to ending regional wage differentials, but on the basis of levelling up, not levelling down -- so in both the US and Canada disgruntled union members said that raises were not large enough, not that western workers should have been awarded more than eastern workers. Discussions by union leaders of the adverse impact of inflation rarely noted differences in the cost of living between western and eastern North

¹⁷ Except by Bercuson (1990) and Friesen (1996).

¹⁸ Friesen (1996, pp. 131-134). Bob Russell was a machinist at the CPR.

America, and perhaps they were not fully aware of them. Smaller wage increases for workers on western lines could have been rationalized if the gap in living costs between central and western Canada had closed substantially during the war, and workers knew this. Living costs in Winnipeg and Montreal did converge up to 1918, but there was a sudden return to pre-war price differentials in 1919 (Emery and Levitt, 2002). An implicit trade-off of wage increases in the west for collective bargaining rights for men living far away and working for other railways did not appeal to CPR shopworkers on the Prairies.

The union journals counselled patience: in the US the longer-term aim was to maintain Government control of the railroads. 'Nothing could do more to hasten the return of the railroads to private owners than strikes...' (*MMJ*, Jul. 1919, p. 646). Nationalizing the CPR was not a serious option, and government control of other Canadian railways could be seen to be no more than a temporary wartime measure. In Canada the argument that strikes should be avoided so as to make government control of railways appear successful was therefore irrelevant.

There were many other reasons why Winnipeg's CPR shopmen were attracted by the rhetoric of the supporters of the general strike, but in late 1918 and early 1919, many could have concluded that the restraint of the international unions was doing little to help them. Over 85 percent of the Mechanical Department sample employees working in Manitoba joined the Winnipeg General Strike. About 60 percent of sample workers in Alberta participated in sympathy strikes. CPR workers in Manitoba in the spring of 1919 cannot be described as young hotheads. The median age was 41, with only 10 percent under 26, and a quarter at least 47.

These CPR shopmen struck for over a month in order to support union recognition and wage demands of metal trades workers employed in contract shops in Winnipeg. While frustration over their own wage award helps explain their willingness to strike, the Winnipeg General Strike did not directly have anything to do with the railways. These men seem not to have been willing to accept the arguments of the international unions that the introduction of collective bargaining for railway workers elsewhere in North America was more important than wage gains to themselves, but they were prepared to risk their jobs to support men in other industries in the same area. Perceptions of 'solidarity' were clearly in a substantial state of flux.

In 1908, the shopmen's strike was mainly called in the interests of the western workers, and the strikers in the west lost less than those in the east. Characteristics of western and eastern workers were broadly similar in 1908 (Table 6.1). By the end of the war, however, the situation had changed considerably. The brisk labour market had done much more to draw workers away from the CPR in eastern Canada. Far more Mechanical Department workers in the east were recent hires. In May, 1918, the median worker in the west had twice as much CPR employment experience as did the median worker in the east. He was also four years older.¹⁹ I have found no evidence that western workers knew how different the workforce in the east had become, but they could, with some justice, have thought of eastern workers as

¹⁹ The return of most veterans in early 1919 complicates the comparisons of time worked to date, which is why figures for May, 1918 are given in Table 6.1.

johnny-come-latelys. Not only did easterners not need as big a pay increase because they were experiencing more moderate price increases in 1919, they also often had limited railway experience.

Canadian labour historians frequently stress how widespread strike activity was across the country in 1919, and the willingness of recent recruits to the union movement to participate in strikes (Kealey, 1995, pp. 289-326; Heron, ed. 1998). Concern about inflation, wages, and working conditions was the norm throughout the western world. But some workers had much more immediate economic reason to feel disaffected than did others. CPR craft workers in the west could plausibly feel that after years of support, the international craft unions had sold out their interests. Given that so many of these men had worked together over a long period, they may have felt that an agreement to strike would be honoured by nearly all workers, and it was. CPR employees in the east had far less reason to reject the existing unions. As there were many more recent hires at work there, prospects of organizing and sustaining a mass walkout also likely seemed much poorer.

Conclusions

The fact that the railroad industry was reaching maturity in Canada around 1914 implied some settling down of the labour force unrelated to trade union activities. The craft unions extracted rents from CPR before the war, and from the railway industry as a whole during and after it. Wages and working conditions for CPR craftsmen were always at the upper end of what was possible for blue-collar workers, and the agreements of 1918-20 pushed these workers further up within the ranks of the working classes. The seniority systems the unions advocated increased the job stability of the longer employed workers, and these seniority systems were also greatly strengthened in 1919. Employees who had joined the CPR in the years of expansion and upheaval, and survived the shakeouts of 1908, 1914, and 1921-22, formed a very solid core workforce. After 1919, there were no more strikes by CPR shopcraft workers. The international unions gradually rebuilt their locals in western Canada, and at least officially the unions forgot the split of 1919.²⁰ Over 90 percent of the men who struck in 1919 came back to work, with most continuing at least until the late 1920s. By 1922, the typical shopworker would end up as a CPR employee for at least 25 years, roughly a trebling of median eventual job duration since with 1908.

No federal government would have favoured losing the votes of large numbers of CNR employees, even if an open-shop CNR had been cheaper to run.²¹ With the main competition unionized, the costs to the CPR of trying to become open shop would have been great. In any case, if the 1908 strike had taught CPR management

²⁰ In the 1940s when the unions went to bat for workers denied retirement pensions because of their participation in the 1919 strike, the CPR repeatedly pointed out that at the time these unions had opposed the strike (MacKinnon, 1997b).

²¹ The CNR introduced policies of union-management co-operation, intended to reduce costs. See Rountree (1936, pp. 231-260) and Slichter (1941, pp. 437-503).

that they could win strikes, they had also learned that they did not want to rely on strikebreakers to staff their shops. The experiences of 1918-22 reinforced the idea that the unions they wanted to deal with were craft unions. Craft unions bargained over issues related to the workplace and the shop steward and the foreman mediated on-the-job disputes. Seniority rules introduced their own set of arbitrary distinctions, but the regulations were comprehensible, mutually agreed upon, and left little scope for favouritism. Patterns of promotions and layoffs were accepted, and only junior workers felt the effects of modest downturns. The Great Depression spread layoffs much further up the ranks, and cuts in hours worked affected nearly all workers, but the system that had been established around 1920 endured.

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