Washington Law Review

Volume 32
Issue 2 *Washington Case Law - 1956*

7-1-1957

Labor Law

John P. Cook

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Recommended Citation
John P. Cook, Washington Case Law, *Labor Law*, 32 Wash. L. Rev. & St. B.J. 101 (1957).
Available at: https://digitalcommons.law.uw.edu/wlr/vol32/iss2/11

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in favor of the insured in accordance with the normal interpretation of rules of insurance argeements.[9] The majority on the other hand, held that, reading the contract as a whole, the language used was not ambiguous, and that the intention of the parties and what they desired to accomplish was clearly expressed.

Of course, almost any language can be made ambiguous when subjected to close and unfriendly scrutiny. It is the opinion of the writer that the majority did give interpretation to the words as intended by the parties and that there was no ambiguity. In the common sense meaning of the word "accident" it is highly doubtful that anyone witnessing the events in this case would have said, "I just saw three accidents."

The *Rohde* case seems to commit the Washington Court to the proposition that, unless "accident" is otherwise defined in an insurance policy, the number of "accidents" arising from one mishap will be determined by looking to the cause of the impacts. If conduct of the insured is a single, proximate cause of injuries, uninterrupted by regained control by the insured, those injuries will be considered one "accident."

DAVID H. OLWELL

LABOR LAW

Picketing—When Subject to Injunction as Coercive. In *Audubon Homes, Inc. v. Spokane Building and Construction Trades Council*,[1] the Washington Supreme Court determined the fate of organizational picketing. The Court ruled that stranger picketing—picketing by a union which has no members employed by the employer being picketed —is coercive and unlawful. It makes no difference whether its purpose is to force the employer to coerce his employees into joining the union, or to force the employer out of business because his employees had not joined the union.

Plaintiff, who was engaged in building new homes in Spokane, employed eleven non-union workers. Defendant union made an unsuccessful attempt to organize the workers and finally resorted to picketing the construction site with banners reading:

Non-Union Employees Working on This

[9] Guaranty Trust Co. v. Continental Life Ins. Co., 159 Wash. 683 294 Pac. 585 (1930).

[1] 149 Wash. Dec. 144, 298 P.2d 1112 (1956).

Job American Federation of Labor and
Building Trades Council.

It appears that the union made no direct attempt to deal with the employer.

The plaintiff brought an action for injunctive relief when his suppliers' refusal to cross the picket line caused damage to his business. The trial court refused to grant an injunction, and the supreme court reversed this decision upon a ruling that no labor dispute existed and that the picketing was coercive and unlawful.

Since lack of a labor dispute is not sufficient grounds in itself on which to base injunctive relief,[2] that question can be disregarded for the purposes of this note. The principal issue of the case dealt with the purpose of the picketing. If the purpose of picketing is wrongful under Washington law then the court may enjoin it on the authority of *Gazzam v. Building Service Employees International Union, Local 262.*[3]

The anti-coercion declarations of the Washington labor disputes act[4] make it wrongful for an *employer* to coerce his *employees* either to join a union or to refuse to join a union. The *Gazzam* case and others[5] have held that this doctrine prohibits concerted acts of labor unions intended to force the employer to violate this public policy. However, dicta by the United States Supreme Court in its opinion in the *Gazzam* case leaves open the question of whether the Washington statute prohibits picketing of employees by other employees. The Washington court has permitted picketing of employees by other groups of employees under different circumstances.[6]

With this background it is easier to see the merit of the defendant's contention that its purpose was not to coerce the employees through the intermediary of the employer (recognitional picketing), but rather was to picket the employees for the purpose of persuading them to become members of the union (organizational picketing). This contention, which would distinguish the case from the *Gazzam* rule, has been held

[2] A. F. of L. v. Swing, 312 U.S. 321 (1941).
[3] 29 Wn.2d 488, 188 P.2d 97, 11 A.L.R.2d 1330 (1947), *Aff'd,* 339 U.S. 532 (1950).
[4] RCW 49.32.020, the pertinent part of which states: Although he should be free to decline to associate with his fellows, it is necessary that he have full freedom of association, self organization, and the designation of representatives of his own choosing . . . and that he be free from interference, restraints, or coercion of *employers* of labor or their agents in the designation of such representatives or in self organization . . . (emphasis added).
[5] State *ex rel.* Lumber and Sawmill Workers v. Superior Court, 24 Wn.2d 314, 164 P.2d 662 (1945).
[6] *Id.*

to be meritorious in other jurisdictions. A recent New York decision[7] has held that organizational picketing is lawful and that unions have very definite interests to protect in seeing that non-union businesses of the same trade are organized to keep their own place in those industries secure. The California Supreme Court[8] has held that although employees must be free to choose their own bargaining representatives, unions are free to use persuasive measures, including organizational picketing, to induce them to affiliate. On the other hand, some jurisdictions have ruled that organizational picketing is unlawful and subject to injunctive relief.

There are many problems to be resolved by any court which attempts to determine whether the purpose of the union is to persuade the employees or force the employer to coerce them into joining the union. An example is found in *Vogt Inc. v. International Brotherhood of Teamsters.*[9] In the *Vogt* case the defendant union resorted to picketing after failing to organize the plaintiff's employees by other means. The signs carried by the pickets simply stated that the men on the job were not 100% affiliated with the A.F.L. The Wisconsin Supreme Court ruled that since there was no show of violence or physical disturbance, no attempts to intimidate or coerce the employees, and no attempt to force the employer to intimidate them, but only the carrying of truthful banners in a peaceful manner and the absence of a labor dispute as defined by the Wisconsin statute, the picketing constituted a peaceful attempt to persuade the employees to affiliate and therefore presented no grounds for injunction. On rehearing[10] the court changed its findings and held that the purpose of the picketing, under the circumstances, must have been for the purpose of forcing the employer to coerce his employees into joining the union. The court therefore ordered the injunction to issue.

In reaching the decision in the *Audubon* case, the Washington court determined that the union's purpose was coercive and thus unlawful. The court examined several of the factors mentioned in the *Vogt* case, in relation to the defendant's contention that the picketing was organizational, and stated that to follow the shift in emphasis from picketing of employer to picketing of employees would be ". . . to close our eyes

[7] Cornell Beverages v. Engar, 3 Misc.2d 526, 150 N.Y.S.2d 497 (1956), which cites Wood v. O'Gradey, 307 N.Y. 532, 122 N.E.2d 386 (1954), as controlling authority.
[8] Park and Tilford Import Corp. v. International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Local 848 A. F. of L., 27 Cal.2d 599, 165 P.2d 891 (1946).
[9] 270 Wis. 315, 71 N.W.2d 359 (1955).
[10] 74 N.W.2d 749 (Wis. 1956).

to reality."[11] However, the court concluded:

> It is not clear, from the record, whether the ultimate purpose of the picketing was to coerce the plaintiff into having its employees join a union, or, since defendant's had not even approached plaintiff, to cut off plaintiff's building materials and thus force plaintiff's business to die on the vine. In either event, the picketing was coercive and unlawful.[12]

Thus the court does not feel it necessary to base its conclusion upon the meaning of "coercion" as explicated in other cases; how far beyond this it has gone is not certain. From the court's treatment of the contention that the defendant's purpose was "organizational" and from its conclusion that the purpose to be wrongful need not be to force the employer to coerce his employees, it would appear that the court may give similar treatment to a future case in which the union could more clearly show that its purpose was only organizational. If this be true, then effective picketing by a union for organizational purposes without members employed is illegal *per se in* Washington.

JOHN P. COOK

Labor Law Terms in the Field of Unemployment Compensation. *Ackerlund v. Employment Security Department*, 149 Wash. Dec. 282, 300 P.2d 1019 (1956) was an appeal from a lower court judgment which denied certain Seattle longshoremen benefits of unemployment compensation. The lower court decision was based upon an interpretation of certain provisions of RCW chapter 50 which prohibit benefits for unemployment arising out of a labor dispute at the establishment where the worker was last employed. These longshoremen were unemployed because they recognized a picket line established during a jurisdictional dispute between rival foremen's unions.

The plaintiffs contended that the term "labor dispute" excludes disputes among a managerial group, e.g., Foremen, and cited the definition of "labor dispute" in the Taft-Hartley Act. The court rejected this argument holding that the state legislature purposely left the term undefined to allow for whatever situations might arise in the future. The court thus held that Employment Security Commissioner was within his authority in holding that the term "labor dispute" includes foremen's strikes.

The plaintiffs further contended that the entire Seattle waterfront was not one "establishment" within the meaning of the statute. However, the court implied that the purpose of the "establishment" provision was to protect workers from being denied compensation because of the indirect effects of a labor dispute at some other establishment within a particular firm or at some other firm closely related to the one in question. In the present case, the findings of fact indicated that the longshoremen's union bargained for *all* the longshoremen with Waterfront Employers of Washington which is a nonprofit organization made up of a number of steamship, stevedoring, and terminal operating companies. The Waterfront Employers of Washington handled payrolls and funds for taxes, welfare and vacations for all of the employers. Through

[11] Id. at 148, 298 P.2d 1112 at 1115 (1956).
[12] *Ibid.*

a hiring hall system all of the longshoremen were entitled to a proportionate share of the work done on the waterfront. Thus the longshoremen were directly involved in any labor dispute which involved the various employers of the Seattle waterfront. The waterfront was, in fact, one "establishment" within the meaning of the act. This view of the court was buttressed by evidence which indicated that the longshoremen respected the foremen's picket lines. Thus the loss of work was not caused by indirect effects of a labor dispute—as where a strike would close an important supplier or consumer—but from the direct effects of the dispute at the very places where the longshoremen were employed.

NEGOTIABLE INSTRUMENTS

Negotiable Instruments — Promissory Note Secured By Chattel Mortgage. In *Robertson v. Club Ephrata,* 48 Wn.2d 285, 293 P.2d 752 (1956), the Washington Court has taken the position that in an action on a promissory note between the original parties to the note, or parties to the original transaction, the addition of a word denoting that the signer of a negotiable instrument signed as an agent of an undisclosed principal is sufficient to create an ambiguity. This ambiguity may then be explained by parol evidence. Once parol evidence has been received a prima facie case is established against the principal and a prima facie case is not established against the agent signer of the note. The court also confirmed previous holdings that when a promissory note is executed, and at the same time a chattel mortgage is given to secure the note, both the note and the mortgage are parts of a single transaction. *Wilson v. Kirchan,* 143 Wash. 342, 255 Pac. 368 (1927); *United States Savings & Loan Co. v. Cade,* 15 Wash. 38, 45 Pac. 656 (1896); *Bell v. Engvolsen,* 64 Wash. 33, 116 Pac. 456 (1911); *Lovell v. Musselman,* 81 Wash. 477, 142 Pac. 1143 (1914); *Rockwell v. Thompson,* 124 Wash. 176, 213 Pac. 922 (1923).

The plaintiff, as executrix of the estate of H. H. Robertson, instituted this action for judgment on a promissory note and foreclosure of a chattel mortgage given to secure the note. The complaint names as defendants: Club Ephrata; J. G. Dungan, president; F. R. Ahlquist, secretary-treasurer; and F. R. Dungan.

The promissory note in question was made payable to F. R. Dungan or order and was signed as follows:

J. G. Dungan, President
F. R. Ahlquist, Secretary-Treasurer

The note did not indentify a corporate maker. The endorsement of the note, which was made about two years after the execution of the note, made reference to the Club Ephrata. In the chattel mortgage it was stated that the mortgage was given to secure the note, and Club Ephrata, Inc. was designated as the mortgagor and Frank R. Dungan as the mortgagee. The mortgage is signed as follows:

Club Ephrata, Inc.
J. G. Dungan, President
F. R. Ahlquist, Secretary

By a separate instrument this mortgage was assigned to H. H. Robertson. It was agreed between the parties that H. H. Robertson was the owner of the obligation and that F. R. Dungan, the named payee, held in trust for H. H. Robertson.

In rendering the decision the court stated that since the plaintiff had knowledge of all the facts and had participated in the entire transaction, this action would be considered as if between the original parties.

To overcome the statutory restriction imposed by RCW 62.01.020, the last part of which states