

# The 1943 Steel Strike Against Wartime Wage Controls

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BECAUSE OF ITS POTENTIAL for disrupting war production, a strike of 13,000 steelworkers in January 1943 was one of the most important wartime labour disputes. The strike was against wage controls and was probably inevitable. Controls were the antithesis of free collective bargaining for which there was a growing demand among wartime workers. For the Steelworkers' union, the strike represented a part of its effort to raise wages, rationalize the wage structure in the industry, and in the process organize as many new members as possible. But for the government, it was a direct challenge to the wage control policy itself and prompted direct government intervention to an unprecedented degree.

## I

BY 1943, WAGE CONTROLS were well entrenched despite labour opposition. Shortly after the outbreak of the war, wage control had been approved as one means of combatting inflation.<sup>1</sup> In December 1940, P.C. 7440 established a "fair and reasonable" wage guideline based upon the wage level prevailing during the 1926-29 period or any higher level which might have been established from 1929 to 1940. This guideline was to be used by conciliation boards to resolve particular labour disputes. In order to protect workers from increases in the cost of living, the order also established a uniform wartime cost of living bonus, which was calculated periodically and paid separately from the basic wage rates.

In October 1941, P.C. 7440 was repealed, and replaced by P.C. 8253 known as the "Wartime Wages and Cost of Living Bonus Order." Like its predecessor, its principal objective was the stabilization of wage rates (which were then rising quickly) at "reasonable levels," by extending the provisions of the first wage control order to virtually all employers and employees. It also established the National War Labour Board (NWLBB), consisting of a chairman (who was the federal Minister of Labour), and an equal number of employer and employee representatives. In addition, nine Regional boards were established, chaired by the provincial Labour Ministers. These were supposed to implement the order under the direction of the National Board, and handle cases for "regional" as distinct from "national" industries. The division was based on the constitutional division of powers. The "national" category was

<sup>1</sup> There was also a price control policy administered by the Wartime Price and Trade Board and an excess profits tax.

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limited to transportation, railways, telegraphs, shipyards, canals, and industries of an interprovincial character. Other employers were governed by regional boards. To ensure uniform administration, the NWLB issued decision bulletins, memos on administrative procedures, and interpretive rulings.<sup>2</sup> Originally there were no appeals. The role of the ministers at both the national and regional levels gave the NWLB a "political" character which was later to be a matter of controversy. Essentially P.C. 8253 established a wage freeze. No employer could increase wages without permission of a wage board. Wages could only be increased if the board found them low "as compared with the rates generally prevailing for the same or substantially similar occupations in a locality which in the opinion of the National Board is comparable."<sup>3</sup> Where the Board found wages too high, it could defer the payment of a cost of living bonus in whole or in part. The cost of living bonus, which hitherto had been voluntary, was made compulsory for all employers and was fixed by the NWLB every three months on the basis of adjustments in the cost of living index. There were penalties provided for infringement of the order, and by January 1942, collective agreements had to conform with it. These basic elements of the wartime wage control policy were continued until December 1946.

In order to amplify P.C. 8253 and make wage decisions more consistent and enforceable, a third "Wartime Wages Control Order" (P.C. 5963) was proclaimed in July 1942. It extended the definition of wages to include any work rules, regulations, or conditions which had the effect of indirectly increasing wage rates. This change drastically limited the number of "bargainable" issues between a union and an employer. The wage boards could order the revision or suspension of any collective agreement which was inconsistent with the terms of the order.

Not surprisingly, both labour congresses (the TLC and the CCL) criticized the wage control policy and the government's lack of consultation prior to its introduction. Labour rejected the basic assumption that reasonable wage increases automatically result in inflation.<sup>4</sup> "Freezing" wage levels would maintain wage inequalities for the duration of the war; moreover unions attacked the policy as being inflexible and inconsistently applied.<sup>5</sup> Unions advocated free collective bargaining for all workers below the minimum wage standard of \$25 per week, the same rights for other workers with reference to the wage boards only where the issues could not be negotiated, and tripartite industrial councils to establish stable, uniform wage scales in key war industries, on the basis of the now familiar demand for "equal pay for equal work."

<sup>2</sup> Records of Regional War Labour Board, File — RWLB Activities, 15 November 1941-31 March 1947, Archives of Ontario (henceforth PAO).

<sup>3</sup> P.C. 8253, 24 October 1941, Section 11(2).

<sup>4</sup> *Labour Gazette*, February 1943, 377.

<sup>5</sup> Under P.C. 7440, the conciliation boards administered the wage policy.

## II

IN PART THE 1943 STRIKE was the result of developments within the union. In 1939 SWOC<sup>6</sup> adopted the objective of equalizing wage rates in the entire steel industry by establishing *uniform* wages, hours, and working conditions, a minimum *base rate* of 50 cents per hour, uniform job classifications, a standard eight hour day and 48 hour workweek, overtime pay provisions, and grievance procedures.<sup>7</sup>

To accomplish this objective it was necessary to consolidate the position of recently organized locals and to organize the unorganized parts of the industry — especially Stelco in Hamilton which had avoided the union by maintaining its position as wage leader in the industry. By 1940, Local 1064 in Sydney, was working under its first collective agreement with Dosco, and Algoma Steel (originally an independent union) had voted to join the Steelworkers' union.<sup>8</sup>

In 1940, the union was restructured. Charlie Millard, one of the most dynamic wartime trade union leaders, was appointed National Director.<sup>9</sup> His tactics were to co-ordinate the demands of the Sydney and Algoma locals, to submit the same demands to the regional wage boards, and to apply political pressure on business and government by asserting his union's as yet unofficial association with the CCF.

The first important test of the wage policy occurred in early 1941, as a result of a strike at Peck Rolling Mills in Montreal.<sup>10</sup> The wage rates there were below those paid in basic steel plants and the union argued (rather dubiously) that the intent of P.C. 7440 was to bring about uniformity in wage scales throughout the country. The majority of the conciliation board decided that there was no national wage level in the industry. Steel wage rates were to be determined on the basis of *local* conditions, and by Montreal standards (Montreal was a low wage area) the Peck rates were not "depressed." J.L. Cohen's minority report argued that comparisons with other producers *were* pertinent, for neither the cost of living in Montreal, nor the company's ability to pay warranted such low wages, and a narrow interpretation of the wage order would condemn workers in low wage areas to depressed wages for the duration of the war. Eventually the strike was lost and the Peck employees received a wage increase only when the federal government amended the minimum wage legislation.<sup>11</sup>

<sup>6</sup> Steel Workers' Organizing Committee. In 1940, the union became the United Steelworkers of America (USWA).

<sup>7</sup> Conference resolution, Ottawa, 4 and 5 November, 1939 Vol. I, File 4, United Steelworkers of America (henceforth USWA) Papers, Public Archives of Canada (henceforth PAC).

<sup>8</sup> H.A. Logan, *Trade Unions in Canada* (Toronto 1948), 252.

<sup>9</sup> *Ibid.*, 257.

<sup>10</sup> For details, see L.S. MacDowell, "The Formation of the Industrial Relations System in Canada During World War Two," *Labour/Le Travailleur*, 3 (1978), 175-96.

The Steelworkers' union took its cue from the Cohen report, and at several conferences reaffirmed its intention of establishing higher uniform basic wage rates within the industry. By the end of 1941, the union had decided to challenge the wage structure in basic steel (that is, those companies producing pig iron and associated products). Millard wrote to his locals that "for some time our union has been making plans for an attack on the wage structure in the steel industry in Canada; the time has arrived to put these plans into action."<sup>12</sup> This position was confirmed at a conference held in Ottawa from 3-5 December 1941. After considering the existing (and in the union's view unwarranted) differentials between Sydney and Trenton, as well as the continuing effort by Stelco to avoid unionization (by wage increases and by firing union activists), the conference adopted a uniform industry-wide wage objective of 55 cents per hour plus a full cost of living bonus, which would amount to a minimum income of \$1,750 a year.<sup>13</sup> The union rejected the notion of linking the cost of living bonuses to wage rates which were considered unreasonable. This focus on the base rate, rather than the composite rate, would surface during the strike as a matter of contention and confusion between the parties. In the absence of the Steel Industry Council which the union had been demanding since 1939, the union established a representative, national, Central Committee to prepare and present a case before the NWLB. Pending the decision of the board, no local bargaining committee was to sign a contract with a rate lower than the rate established by the Central Committee.

Millard had little confidence in the wage boards but continued to lobby the government and business officials for the implementation of a new basic wage rate.<sup>14</sup> In addition, the union engaged in a campaign to acquaint the public with the low wages, long hours, and poor housing confronting workers in the steel industry.<sup>15</sup> The union argued that the industry should be considered a national industry because its priorities and prices were controlled nationally by a government appointed Steel Controller. Steel was an essential war industry and labour an important factor in production. Of course, if the steel industry were designated as a national industry, wages could be standardized by the NWLB and wage differences between steel plants would be removed. This develop-

<sup>11</sup> *Labour Gazette*, November 1942, 1228.

<sup>12</sup> Memo, C.H. Millard to locals, 1941, Vol. I, File 10, USWA Papers.

<sup>13</sup> At the time of the conference, Local 1064 in Sydney, was stalemated in negotiations for a new contract; its base rate there (without bonus) was 43.5 cents. The Trenton local covered 4 plants with base rates ranging from 37.5 to 40 cents and different bonuses. At Stelco, another membership drive was planned, but the union had been reduced to 60 members, partly because the minimum rate there was 46.5 cents and 60 per cent of the 5000 employees were paid above that rate. Minutes of proceedings of SWOC conference, 3-5 December 1941, 2, Vol. I, File 10, USWA Papers.

<sup>14</sup> C.H. Millard to David Lewis, 3 November 1941, Vol. 196, CCF Papers, PAC.

<sup>15</sup> For example, union pamphlet "Victory Needs Steel."

ment would enhance the union's reputation in organizing campaigns, particularly in Hamilton, and would circumvent the regional boards' policy of comparing steel rates with other *local* rates. This concept of a national industry differed from the purely "constitutional" definition set out in the NWLB by-laws, but was consistent with the union's bargaining position for uniform wages throughout the industry.

Throughout 1942, the union pursued its objective and the pace of events accelerated.<sup>16</sup> On 18 March 1942, the Algoma local presented its case to the Ontario Regional War Labour Board. On 31 March 1942, the Dosco workers made a similar application to the Nova Scotia Regional Board. On 17 July 1942 the Nova Scotia board refused the union's application on the same basis as in the Peck case: that existing rates were at least equal to local rates for similar work. On 14 August 1942, the Ontario Regional board recommended that the parties reach an agreement about rates and present a joint application to the board. Management opposed the recommendation and the Algoma workers responded by "taking the day off," conducting their own strike vote, and voting overwhelmingly for a strike. A similar vote was held in Sydney.<sup>17</sup> This strike threat, involving two major steel producers, represented "the most serious threat to the government's wage policy since its inception."<sup>18</sup>

### III

AS TENSION MOUNTED, the union requested that the Prime Minister turn his attention to the dispute.<sup>19</sup> On Millard's advice, CCF Leader M.J. Coldwell, wrote to the Prime Minister<sup>20</sup> but King's response was unsympathetic and pointed out that the strike would contravene the wage order, and be subject to legal penalties.<sup>21</sup> Millard viewed King's "punitive" response as "very good ammunition," and thought that the union was "in a rather strong position," for the membership was "in splendid shape."<sup>22</sup> On 24 August, King informed

<sup>16</sup> Districts 5 and 6 policy conferences reaffirmed the union's position and vigorously opposed the most recent base order P.C. 5963. Memo, SWOC Central Committee to all locals, 10 January 1942, Vol. 3, File 6, USWA Papers.

<sup>17</sup> The Algoma vote was 3122 for a strike and 22 against. The Sydney vote was 3074 for a strike and 38 against. The overall support was 6196 for a strike and only 60 votes opposed.

<sup>18</sup> Daniel Coates, "Organized Labor and Politics in Canada: The Development of a National Labor Code," unpublished Ph.D. thesis, Cornell University, 1973, 109.

<sup>19</sup> C.H. Millard to W.L.M. King, 7 August 1942, Vol. 330, King Papers, PAC.

<sup>20</sup> C.H. Millard to M.J. Coldwell, n.d. 1942; M.J. Coldwell to W.L.M. King, 10 August 1942, Vol. 322, King Papers.

<sup>21</sup> W.L.M. King to M.J. Coldwell, 11 August 1942, Vol. 332, King Papers.

<sup>22</sup> C.H. Millard to David Lewis, 24 August 1942, Vol. 167, CCF Papers.

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Millard that an emergency meeting of the Cabinet would discuss the union's demands. The Cabinet<sup>23</sup> was unanimously against "any yielding to Millard" and opposed any government attempt to influence the decisions of the wage boards, on the ground that such intervention "would be rightfully resented . . . by the boards."<sup>24</sup> Finally, as a result of meetings between Millard and some Cabinet members, the government agreed to appoint a Royal Commission to investigate the dispute.

A steel strike was temporarily averted, and a union conference held just prior to the CCL convention concluded, too optimistically, that the government's appointment of a commission "gained the recognition of steel as a national industry, for which the union had fought for three years."<sup>25</sup> The conference, however, remained severely critical of the wage boards, which were viewed as instruments in the hands of government officials used for the purposes of delay.

In the case of [the] Dosco and Algoma steel cases . . . the War Labour Boards were used by government officials to delay decisions while a new wage control order-in-council was designed, drafted and passed in order to avoid a raise in the basic labour rate to a level that would insure basic necessities of life.<sup>26</sup>

The delegates urged that all board proceedings and findings be made public, that the board should intervene only if negotiations had failed, and that the CCL representatives of the NWLB resign until such changes were implemented. This resolution (and one endorsing the Steelworkers' wage claim) was supported by the subsequent CCL convention.

On 14 September 1942, P.C. 8267 established the Barlow Commission chaired by Justice F.H. Barlow. The management representative was James T. Stewart and the union representative was J. King Gordon.<sup>27</sup> The Commission held public hearings throughout October and November. Meanwhile, the union made further representations to the Prime Minister. International President Philip Murray put the union's wage demands in perspective, by comparing the hourly wage rates for the steelworkers involved (approximately 45 cents) to the current base rate for American steelworkers (78 cents).<sup>28</sup> The union's request for an increase of 10 cents an hour (to 55 cents) still left a substantial gap.

Late in December, Millard advised a restless membership "to exercise whatever additional patience is required to get a final decision," and to continue operations at peak production levels in order to increase public support.<sup>29</sup>

<sup>23</sup> W.L.M. King to C.H. Millard, 26 August 1942, Vol. 330, King Papers.

<sup>24</sup> *Ibid.*

<sup>25</sup> Conference Minutes, 13 September 1942, 2, Vol. 1, File 12, USWA Papers.

<sup>26</sup> National Office Circulars (1941-47), Vol. 3, File 6, USWA Papers.

<sup>27</sup> Justice Barlow sat on the Ontario Supreme Court, Mr. Stewart was a practising lawyer in St. Thomas, Ontario, and Mr. Gordon was a former professor at McGill University and was associated with Farrar and Rinehart publishing house in New York. According to King Gordon, Eugene Forsey recommended him to the government as the labour representative on the commission. Conversation with the author, Toronto, 17 October 1980.

<sup>28</sup> Philip Murray to W.L.M. King, 2 January 1943, Vol. 4, File 7, USWA Papers.

<sup>29</sup> C.H. Millard to J. Mitchell, Hessian, Mahoney, Dalrymple, MacNeil, 22 December 1942, USWA Papers.

At the same time, District 6 Director John Mitchell evaluated the effect of the dispute on the union's organizing efforts. During 1942, the union's membership had more than doubled. Many old contracts had been improved and new agreements had been concluded, despite the difficulties encountered from employer opposition, and the "anti-labour" policy of the government. In Mitchell's estimation,

if one thing more than any other aroused the spirits of our too docile fellow workers and gave them renewed hope and courage, it was the action of our fellow members in basic steel. In spite of repressive orders-in-council, government edicts, threats of prison and writs of injunction, they with courage and determination took a stand that not only caused the government to back up, but gave a lead for which the workers were waiting. Their action gave the United Steelworkers a leading position among organized workers in Canada.<sup>30</sup>

On 5 January 1943 with no report from the Barlow Commission, the Algoma local wired Humphrey Mitchell stressing the "serious implications" of the delay:

The plant is now a seething mass of dissatisfaction and [has a] complete lack of faith in the Labour Department. . . . In the face of the common sense and patience shown by our members, it is beyond anyone's imagination how the Labour Department can even attempt to justify their complete evasion of duty and disregard of the welfare of the people in this vital industry.

A mass meeting was planned and only a decision from the commission could avert serious trouble.<sup>31</sup> From this point on, the feelings of the membership governed events. For Millard and his staff, this was a mixed blessing. They could use rank-and-file militancy to pressure the government; but they also had to maintain control of the membership to ensure effective action and unity in the union. In the Sault for example, local union secretary Bill Mahoney had called a mass membership meeting because,

we felt that a meeting and a definite explanation to the members that we were not prepared to hold the thing back any longer would strengthen our weakening position. The membership is utterly disgusted and if we are not careful that feeling will be as strong towards us as it is towards the government and company.<sup>32</sup>

The Sydney local was informed of Algoma's plans and their members were in about the same frame of mind. Millard advised the CCL that in the event of an unfavourable report, he was neither able nor willing to restrain them, and on 1 January 1943, the members at Algoma voted unanimously to set a strike deadline of 6:00 pm on 12 January.<sup>33</sup>

The strike threat was premature. On 28 December 1942 the Commission's majority report was submitted to the government. On 5 January 1943 the minority report of J. King Gordon was submitted. Both reports were sent to

<sup>30</sup> John Mitchell to Local Unions, District 6, 1 December 1942, Vol. 3, File 6, USWA Papers.

<sup>31</sup> The onus for any stoppage in the steel industry would rest with the Labour Department. W. Mahoney to C.H. Millard, 5 January 1943, USWA Papers.

<sup>32</sup> *Ibid.*

<sup>33</sup> C.H. Millard to CCL, 6 January 1943, Vol. 3, File 6, USWA Papers.

the parties on 9 January. They were made public the following day. The report was a great disappointment to the union. The commissioners were fundamentally in disagreement as to their function. The majority believed that its jurisdiction was limited to interpreting and applying the wage order, and on this basis found that further adjustment in the basic wage rates was unjustified since the prevailing rates for unskilled employees were not "substandard." The majority was concerned about excessively long hours, and made recommendations respecting overtime pay, the rates for maintenance men, and a job evaluation scheme to be undertaken in the indefinite future. It refused to classify steel as a "national industry."

Gordon's minority report eloquently supported the union's case. He argued that the wage policy was flexible enough to permit the wage adjustments which the union sought and that the public interest and the broad purpose of the government's labour policy (to avoid industrial conflict and accelerate production) demanded it. In Gordon's view a wage increase was justified by the "peculiar arduousness" of the work, the "inhumanly long hours," and the hardship of steelworkers' families.<sup>34</sup> Unlike the majority, he linked the adjustment of wage rates and the designation of the industry as a national employer. He pointed out that the production of steel was of national importance, its production was already controlled by the Minister of Munitions and Supply, it had an "A" priority rating for the purposes of labour supply, and its price was nationally controlled. There was little to distinguish it from "national" industries such as shipbuilding and mining. Yet the failure to recognize it as such led to wage disparities which precipitated industrial conflict. In the circumstances, designation as a national employer would be a stabilizing factor.

The union's response to the majority report was immediate. On 12 and 13 January a spontaneous strike occurred at Sydney, Trenton, and Sault Ste. Marie, involving more than 13,000 steelworkers. Steel production was virtually halted. Only the Stelco workers remained on the job. Millard wrote to his members:

I am convinced that every attempt has been made to avoid . . . disruption of production; but the patience and goodwill of our people have been shamefully rewarded. The intolerable conditions . . . in our steel industry could no longer be endured by self-respecting Canadians. The members of Locals 1064 and 2251 have been forced to seek a satisfactory settlement by strike action. Their action is fully endorsed and must be fully supported.<sup>35</sup>

Mitchell placed responsibility for the strike on the inflexibility of the Barlow Commission, and "delay, evasion and outright betrayal" on the part of Humphrey Mitchell who had earlier assured the steelworkers that his aim was to "renounce anomalies and eradicate injustices."<sup>36</sup>

<sup>34</sup> *Labour Gazette*, January 1943, 66, King Gordon's Minority Report.

<sup>35</sup> C.H. Millard to Officers and Members of the union, 13 January 1943, Vol. 4, File 7, USWA Papers.

<sup>36</sup> John Mitchell to Local Unions, District 6, 1 December 1942, Vol. 3, File 6, USWA Papers.

The CCL pledged its support. So did the international union, despite a telegram from Humphrey Mitchell urging President Murray to intervene in the Canadian situation and direct the employees to return to work.<sup>37</sup> Murray was anxious for a settlement (in the United States, the union had voluntarily agreed to a no-strike pledge for the duration of the war), but he would not ask Canadians to forego a reasonable wage demand and return to work. Instead he appointed a three man commission (John Doherty, Elmer Maloy, and Pat Conroy) to meet with the parties in order to facilitate a settlement. Ironically, the international union's assessment of the dispute was shared, in part, by Mackenzie King.

#### IV

IN CONTRAST TO THE STUDIED policy of non-intervention which he had pursued in the Kirkland Lake strike of 1941-42, Mackenzie King was actively involved in trying to settle the 1943 steel dispute.<sup>38</sup> King regarded Millard as an extremist and publicity seeker; however, he also believed that the union's case had merit and that the steel industry should be classified as a national industry.<sup>39</sup> In autumn 1942, when the strike first threatened, King had warned Millard<sup>40</sup> of the seriousness of a steel industry shutdown, but he also urged Mitchell to be conciliatory, and to appoint reasonable men to the Barlow Commission.<sup>41</sup> King regretted that the Commission Report had not been unanimous. He thought that the majority had interpreted the wage order too legalistically and that Gordon's interpretation was preferable. Indeed, he told the Cabinet that the minority report was the kind he would have written (and did write years before as the Deputy Minister of Labour).<sup>42</sup>

On 12 January 1943, Howe, Mitchell, Ilsley, and McDonald all took the position that the union should be confronted, while King confided to his diary that "personally, my sympathies are wholly with the men. I think their wages are too low, and that some way should have been found to avoid a strike."<sup>43</sup> King recognized that the strike challenged the wage stabilization policy, but there were indications that the union's demands had gained considerable public support. Thus, the Cabinet had to develop a strategy to resolve the situation without jeopardizing the war effort or relations with the business community. King realized that the union had bargaining power, and to resolve the dispute, he had to find a solution acceptable to both a militant trade union and his uncompromising Cabinet colleagues.

<sup>37</sup> *Labour Gazette*, February 1943, 192.

<sup>38</sup> L.S. MacDowell, "*Remember Kirkland Lake*": *The History of the Gold Miners' Strike 1941-42* (Toronto 1983), Ch. 8.

<sup>39</sup> W.L.M. King's Typescript Diary, 25 and 26 August 1942, PAC.

<sup>40</sup> *Ibid.*, 27 and 29 August 1942.

<sup>41</sup> *Ibid.*, 4 September 1942.

<sup>42</sup> *Ibid.*, 14 January 1943.

<sup>43</sup> *Ibid.*, 12 January 1943.

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King's intervention was also politically motivated. He was well aware of both the animosity between his Labour Minister and CCL unions and of the CCF's increasing political support.<sup>44</sup> King sensed that the political tide was turning left, and that his party must respond. He feared that the attitudes of most of his ministers were "reactionary to Liberal principles and policies," particularly in regard to labour policy. The "lack of men around me who share the broader outlook to help me maintain a true Liberal position" might become a political liability. The Cabinet was too oriented to business and concerned with mobilizing the nation for war. It was not as perceptive as King about the policies which might be required in the post war period. King was worried that "what our men are doing is simply handing over the future of the country to the CCF instead of keeping the country a real Liberal administration."<sup>45</sup> He sought to educate his colleagues by exposing them to the parties in the dispute ("so that all can see for themselves"), and in this way push them into a more progressive position.

On 14 January, with the strike on, Mitchell invited the union to send a committee to Ottawa. On 16 January, King took the lead in Cabinet in formulating the government's position. He had already decided that the matter should be referred to the NWLB; but he wanted it to be a reconstituted board with the power to adjust the wage rates. Mitchell would be relieved of the chairmanship, and while the enquiry was on, the workers would return to their jobs. This strategy would end the strike, remove an unpopular Mitchell (whom King found too dogmatic in the situation) and, by having the NWLB deal with the case instead of the Regional boards, imply that the steel industry might be recognized as a "national industry." Despite King's support for a liberal interpretation of the wage policy, both Hilsley and Howe, however, remained adamant that the government should not admit that there were substandard wages in the steel industry.<sup>46</sup> They opposed the designation of steel as a "national industry," because this might encourage more challenges to the wage policy and increased wage demands. An exasperated Prime Minister wrote,

What these men did not seem to see was that unless some leeway was afforded, this strike situation will go from bad to worse and will end up with the government having to yield much more and [the] possibility of its price ceiling and wage stabilization policy being broken and the war effort very seriously impaired.<sup>47</sup>

King continued private consultations with Howe until he finally conceded that steel and perhaps the coal industry, should be designated national industries, and that the NWLB might make further wage revisions. King interpreted this as an indication that the "employers themselves felt that there was need to make some concessions to . . . labour."<sup>48</sup> Howe's concession was important. Once it

<sup>44</sup> This animosity had developed as a result of Mitchell's role both as head of the Industrial Disputes Inquiry Commission and as Minister of Labour.

<sup>45</sup> King's Typescript Diary, 14 January 1942.

<sup>46</sup> *Ibid.*

<sup>47</sup> *Ibid.*

<sup>48</sup> *Ibid.*, 18 January 1943.

was made, King was able to gain Cabinet's acceptance of the points previously discussed.

The first of three meetings with the parties was held on 18 January 1943. Throughout these meetings, King's approach, was to press both the union and the Cabinet to make compromises. In view of the later accusations of "bad faith," it is useful to examine King's discussions with the union in some detail. King opened the meeting with a statement that there must be no recriminations. In the present urgent situation, a means had to be found to get the men back to work immediately. To impress on those present the seriousness of the strike, he read out secret military information. He insisted that the union must not challenge either the wage policy or Mitchell's position as Minister of Labour. King then referred to his own October 1941 speech on wage-price controls, in which he had stated that the wage policy would be flexible. The boards could review how the policy worked in practice, and could "recommend its revision or modification in light of experience."<sup>49</sup> He assured the union that he did not support substandard wages or a legalistic interpretation of the wage policy, and that the wage order was flexible enough to accommodate the USWA demand. This assurance of a more liberal interpretation eventually provided that basis for a settlement.

When the meeting adjourned, King continued the discussion with his reluctant Cabinet. He again stressed the importance of ending the dispute and "strongly urged some concession on the lowest rate." He also informed the Cabinet that Mitchell would be removed as NWLB chairman. A new NWLB chairman could review the case and establish the facts upon which a fair minimum wage might be determined. The Cabinet eventually agreed to the reconstruction of the Board, however upon its return the union questioned the purpose of a new NWLB if the old wage order remained. But King repeated that the order should be interpreted liberally as Gordon had done. The Prime Minister also agreed that the steel industry would be a national industry and therefore would be under the jurisdiction of the NWLB and not the Regional boards. He offered to refer the dispute directly to the proposed new NWLB.

Mosher and Millard responded cautiously, but King felt that the meeting was moving towards a settlement, and that the Cabinet was "a good way along from where we were when we first discussed the strike."<sup>50</sup> He continued to impress upon them what they must do for the Liberal Party to remain in power. He noted in his diary:

I have told them that they must realize that at the bottom of this whole war is the question of settling social security. That all parts are one in upholding that objective and that the place we will have to *begin* is at our own backyard at Sault Ste. Marie and Sydney.<sup>51</sup>

Whatever reservations the Cabinet might have had about his labour policy, they did not doubt King's political acumen.

<sup>49</sup> *Financial Post*, 30 January 1941.

<sup>50</sup> On the afternoon of 18 January 1943.

<sup>51</sup> King's Typescript Diary, 18 January 1943.

The following day, Ilsley protested that King was going too far, and was making too many concessions. King insisted, however, that the strike must end, and that either the Cabinet, or the new board must make a settlement. He reminded his Cabinet that Parliament reconvened the following week. If the strike was still on, he forecast an amendment to the Throne speech which might raise the question of conditions in the steel industry, and might result in a demand for a Royal Commission. The CCF would have the advantage, and even Liberal backbenchers might be restive. He noted:

Once actual living conditions began to be exposed, the government would find itself terribly on the defensive. We would get no sympathy from anyone opposite and a number of our men would be considering their future in relation to social security. I asked them to think of the position of the government itself. The government would have to make concessions and it had better be at once or larger concessions would have to come later.<sup>52</sup>

King maintained that there was no other alternative, and eventually the Cabinet approved the creation of a new NWLB. Mitchell and Howe agreed that a 55 cent rate, including the cost of living bonus, might be granted as a *minimum* wage but *not as a basic rate*. With this concession, King was satisfied that he "had secured what was needed to put the government in a position which it could defend."<sup>53</sup>

In the next meeting with the parties, King presented a seven point list of government intentions if the men returned to work immediately. This was characterized as the government's "final position." The government proposed to:

1. implement the major recommendations of the Barlow Commission;
2. designate Dosco and Algoma as national employers;
3. grant permission to the union to present a new case to the NWLB;
4. accept Mitchell's resignation as NWLB Chairman;
5. recommend that the NWLB promptly consider the application;
6. pass an order granting all steelworkers a 55 cent *minimum* wage including the cost of living bonus;
7. allow Trenton workers to request the Regional board to rule to what extent they were engaged in basic steel production.

Millard advised the Cabinet that striking workers would not accept the package. The proposal amounted to an increase in the basic rate of only 2.5 cents at Sydney and 4.5 cents in the Sault. But the Prime Minister remained firm. Millard, who was genuinely concerned that the government's "final position" was not enough, requested a further minor concession so that it would be easier for him to gain his members' acceptance. The union wanted the 55 cent offer to represent the new *base* rate, and to allow the NWLB to review the cost of living bonus which would be paid in addition to the 55 cents. While King favoured this proposal, the Cabinet was not prepared to go that far.

On 20 January 1943 King received a strongly worded letter from Millard publicly rejecting the government's offer. Millard was indicating to his membership that their leaders were being firm with the government. King's

<sup>52</sup> *Ibid.*, 19 January 1943.

<sup>53</sup> *Ibid.*

response was also made public, and was equally firm. He emphasized that the strike was illegal, and that the government could have refused to meet the union until the men returned to work, and specifically rejected Millard's contention that he (King) had ever suggested that the wage policy should have been given a broader interpretation. This, of course, was the thrust of his private conversations with the union representatives and what they thought his position to be. King, however, wrote:

What I did say was that I believed the powers of the War Labour Board were capable of being given the wider construction which the minority report of the Barlow Commission stated they should have in accordance with the labour policy of the government. I made no reference whatever to any finding of the minority report. My reference to the powers of the Board was intended merely to make clear the government's view that the National War Labour Board itself, would be free to place the more liberal construction upon its powers.<sup>54</sup>

This statement was significant for a number of reasons. It demonstrated that King was prepared to see the wage policy interpreted flexibly, but did not favour concessions which, if generally applied, would undermine the wage control program. However, (and in apparent contrast with his earlier private discussions with the union), there was no undertaking that the policy would, in fact, be given a flexible interpretation favourable to the union position. King's public position was equivocal. The government's final offer concluded its role in the dispute. Thereafter, the issue would go to the new NWLB which would be independent in a way in which the old board (with the Minister of Labour as Chairman) was not. The union was optimistic but, as it turned out, the board's very independence would later cause disillusionment.

After a brief period of public posturing, Millard wrote a courteous letter agreeing "in principle" to the government's offer, but suggesting the "clarification" of several clauses. He wanted the proposed settlement to cover the Trenton workers and the question of the cost of living bonus to be referred to the NWLB. The Cabinet eventually agreed that the NWLB might reconsider the cost of living bonus. On 23 January 1943 the parties made a final settlement in the seven point "Memorandum of Understanding." On paper, the only difference between the government's first offer and the final settlement was a guaranteed minimum rate of earnings which would prevail even if there was a drop in the cost of living. The clause read:

for the duration of the war, should the cost of living bonus be reduced, the 55¢ minimum earning rate shall not be reduced, but should the cost of living bonus be increased as from the present time the earning rate of 55¢ shall be likewise increased, thus establishing a guaranteed minimum earning rate of 55¢.<sup>55</sup>

The intention of the settlement, and the thrust of the discussions preceding it, however, were later much disputed. The union interpreted the board's authority to reconsider the bonus question, as an indication that it *would* do so, and would amend the 55 cent minimum rate (which included the bonus) to be a 55 cent *base* rate (in addition to which a bonus would be paid). This was an overly optimistic view, given the wording of the Memorandum and King's

<sup>54</sup> W.L.M. King to C.H. Millard, 21 January 1943, Vol. 4, File 7, USWA Papers.

<sup>55</sup> "Memorandum of Understanding," point 6, *Ibid.*

disclaimer; however, the union view continued to reflect its perception of the earlier discussions with the Cabinet. The union believed that the new board would accept its position on the bonus issue, and it would achieve its wage objective.

The real intention of the government is difficult to determine, but it is likely (as Millard insisted was the case and the government later denied) that the government had in fact indicated that the board would decide the case in favour of the union and that the government would approve of such a decision.<sup>56</sup> This, after all, was King's private position. Ultimately, however, the union was disappointed, for whatever the other ambiguities in its position, the Cabinet clearly did not intend that the NWLB make an independent decision which could be assailed on political grounds. If the union lost at the NWLB, it lost absolutely. The particulars of the settlement were embodied in a formal order-in-council (P.C. 689) on 28 January 1943.<sup>57</sup> King personally drafted the statement for the press and spoke over the radio. In Council, he pointed out "how fortunate we were to have the steel strike settled as Parliament [was] about to assemble." He recognized that the experience of dealing with striking workers had been unpleasant for his conservative colleagues and he regretted privately that "none of them see what has been prevented, which is always greater than anything that is accomplished."<sup>58</sup>

Yet much had been accomplished. The government had achieved its limited aim of raising wages slightly, as a sympathetic gesture, while preserving the integrity of its control policy in the rest of the economy. The settlement ended the strike. Ironically, a settlement had been achieved without real agreement on its basis. The concept of a national industry had been accepted by the union because it wanted a national status to pressure for uniform wage rates throughout the industry. The government agreed to the designation merely to facilitate the handling of the steel case before the NWLB. There was agreement on the reconstituted board because the government wanted to appear sympathetic and remove Mitchell, who was by this time a political liability. An independent board could be relied upon to make "responsible" decisions, but would ensure

<sup>56</sup> McTague suspected that the government *had* made private undertakings to the union without informing the NWLB. He wanted the government to reply definitely to Millard's allegations which it never did. McTague insisted that the NWLB had to be an independent body to maintain the confidence of industry and labour. If Mitchell contemplated political interference, McTague threatened to resign; C.P. McTague to H. Mitchell, 22 April 1943, Vol. 34, J.L. Cohen Papers, PAC. McTague wrote, "Either the Board must be supported unequivocally that its view of what its duties were was correct, or [a] public statement must be made that Mr. Millard had reason to believe the allegations which he has been making so forcibly." The government, faced with such an alternative, had already decided to support an independent board. C.P. McTague to W.L.M. King, 22 April 1943, USWA Papers.

<sup>57</sup> P.C. 689, Vol. 4, File 7, USWA Papers.

<sup>58</sup> King's Typescript Diary, 26 January 1943. This comment was most characteristic of King.

that after the steel case was heard, the situation would not once again be dropped in the government's lap. The union believed that a new board could not help but be more sympathetic than the old one.

Press reaction to the settlement varied. The business view was accurately reflected in the *Globe and Mail*, which considered the strike a threat to the wage and price control policy, an illegal act "sabotaging the war program," and tantamount to "a revolution against orderly government."<sup>59</sup> Interestingly enough, the *Financial Post* interpreted the settlement in much the same way as did the union. The first government offer had insisted that the overall base rate include a cost of living bonus, so that while there was relief granted to the lowest paid workers, the solution conformed with the basic principle of the controls policy. The final settlement, however, established a guaranteed 55 cent total wage which might, or might not, include the cost of living bonus. The editors observed: "It opens the way for the unions to apply to the NWLB for a cost of living bonus in addition to the new minimum."<sup>60</sup> This interpretation was probably wrong, and certainly was not the view which the NWLB ultimately adopted; but the government was sufficiently evasive that such different organizations as the *Financial Post* and the Steelworker's union could interpret the settlement in the same way. It was on this basis that the union pressed its membership to accept the settlement.

The union's immediate problem was to have the settlement ratified and to get the men back to work. This was no easy task. Millard wrote to Locals 1064, 2251, and 1231 indicating his belief that the terms provided the necessary machinery to achieve their objectives. He recommended that operations be resumed and that immediate steps be taken to implement them.<sup>61</sup> Director John Mitchell also appealed to the membership to accept the settlement. Mitchell believed that the union had made substantial gains, for the union had succeeded in establishing a guaranteed minimum wage of 55 cents per hour, laying the basis for "uniform rates throughout the industry." This rate included the bonus but the union could present its claim before the NWLB. On all other points — the national industry designation, a reconstituted board, its speedy reconsideration of the steel case, and the status of the Trenton workers — he believed that the union had substantially won, or would win before the reconstituted board.<sup>62</sup> The only demand which had not been achieved was the bonus — and that was a "likely possibility" given the government's assurances and King's favourable comments on the minority report. The chances for success were likely to depend on the responsible behaviour of the steelworkers. "It is up to you [Mahoney] and Dal [Dalrymple] to see that they understand properly all

<sup>59</sup> *Globe and Mail*, 22 and 25 January 1943; *Financial Post*, 30 January 1943; the *Canadian Tribune* supported the settlement on 30 January 1943, and the *Canadian Forum* described it as a resounding victory on 30 January 1943.

<sup>60</sup> *Financial Post*, 30 January 1943.

<sup>61</sup> C.H. Millard to Locals 1064, 2251, 1231, 23 January 1943, Vol. 4, File 7, USWA Papers.

<sup>62</sup> John Mitchell to W. Mahoney, 23 January 1943, USWA Papers.

the implications of the terms of settlement, so that they will not through lack of understanding do anything rash."<sup>63</sup>

The Sydney local accepted the leadership's direction and on 26 January 1943 voted 2178 to 734 to return to work. It also threatened, however, to resume the strike in 30 days if it did not receive a satisfactory decision from the NWLB. The local was concerned that the Trenton workers be classified in the same category as the Sydney and Sault workers, but Millard assured them on this point despite the inconclusive language of the Memorandum.<sup>64</sup> The Algoma local rejected the settlement by a vote of 1632 to 1399, but after pressure from the leadership, the members returned to work on the same basis as the Sydney workers. When the ballots of both locals were combined, there was an overall vote in favour of the settlement by a ratio of three to two (3577 to 2336). Millard recommended that the Trenton workers return to work, which they did reluctantly on 29 January with the same 30 day warning as had been adopted by the Sydney local.

As the men returned, A.R. Mosher (who had been a member of the old NWLB) wrote anxiously to Millard urging that the Sault and Sydney locals rescind their decision to resume the strike if they did not receive a satisfactory decision from the board. Mosher warned that the decision would be unfavourable if the board viewed their action as a threat,<sup>65</sup> as most board members apparently did.<sup>66</sup> Millard supported his men. The proviso reflected the membership's ambivalence. Millard wrote: "I can readily understand the feelings of these men and I feel strongly that the Board would be quite unreasonable and wholly unjustified if they considered the action as a threat."<sup>67</sup> The rank and file action constituted an understandable "expression of suspicion of all concerned with their case." Millard was confident that his locals would not have to strike again. He expected a favourable decision.

## V

IN ACCORDANCE WITH the settlement, the government reconstituted the NWLB and the Cabinet agreed to King's suggestion of Mr. Justice C.P. McTague<sup>68</sup> as the chairman. King liked his attitude to labour problems, and thought that McTague had a clear understanding of the relationship between the CIO and the CCF (a relationship which was beginning to pre-occupy King a great deal). Both men agreed that the CIO was funding the CCF to further its industrial ends. On February 1943, McTague outlined the changes he thought should be made to the board. He wanted a tripartite board which would conduct open proceed-

<sup>63</sup> *Ibid.*

<sup>64</sup> C.H. Millard to Local 1064, 25 January 1943, USWA Papers.

<sup>65</sup> A.R. Mosher to C.H. Millard, 27 January 1943, Vol. 36, File: Steel Strike 1943, CLC Papers, PAC.

<sup>66</sup> *Ibid.*

<sup>67</sup> C.H. Millard to A.R. Mosher, 28 January 1943, CLC Papers.

<sup>68</sup> *Labour Gazette*, February 1943, 166. Mr. Justice C.P. McTague was appointed a Justice of the High Court of Ontario in 1935, and in 1938 he was appointed to the Appellate Court of Ontario. Since 1940, he had acted as chairman of the War Contracts Depreciation Board, and had served on conciliation boards.

ings. He selected J.J. Bench, K.C. as the management representative and after consultation with both congresses, J.L. Cohen, K.C. as the labour representative.<sup>69</sup> The House of Commons viewed McTague's appointment favourably<sup>70</sup> and the labour movement was delighted with Cohen's appointment and expressed confidence in McTague.

On 11 February 1943 (by P.C. 1141), the NWLB was reconstituted as an independent three-man board, (in place of the old twelve-man board), with broad powers and a mandate to conduct public hearings. Besides hearing cases, as the old board had done, it could conduct studies of labour problems at the direction of the Minister of Labour. The government had no intention of activating these powers at the time it established the new NWLB<sup>71</sup> but it was a political sop to labour. In April 1943 however, the government requested the new board to conduct an inquiry into wartime labour relations and wage conditions, which eventually resulted in the proclamation of P.C. 1003, the first comprehensive federal policy directly to support collective bargaining.

The union made its application to the Board on 24 February 1943. Once more, its representatives submitted that the companies be designated as national employers, that Trenton (and Eastern Car Company) be designated as part of "basic steel," and that there be a 55 cent minimum base rate to which could be added a cost of living bonus calculated with reference to price changes since August 1939. Millard further requested that the board direct the companies to negotiate non-controversial items but while the case was before the board, neither the employers nor the Department of Labour was prepared to do so.<sup>72</sup>

Thirty days passed without a decision and also without any new strike. The delay became a matter of increasing concern. In March, Bill Mahoney wrote anxiously to District 6 Director Mitchell that he could wait until the 14 April union meeting, but if there was no decision by then on the cost of living bonus, the local would give the company 24 hours' notice to prepare for shutdown. Mahoney was sensitive to the politics of the situation, and did not want to do anything drastic to jeopardize the union's case before the board. He noted, however, the antagonism is reaching such a pitch toward this unexplainable delay that we feel by the middle of the coming month we will hardly have any justification for asking further patience to be shown.<sup>73</sup> He requested that John Mitchell suggest to McTague diplomatically that "the strained patience of our membership will not hold out beyond the middle of the month." The same restlessness was also present in Trenton and Sydney, and absenteeism was prevalent.<sup>74</sup>

<sup>69</sup> J.L. Cohen, K.C. was a prominent labour lawyer.

<sup>70</sup> King's Typescript Diary, February 1943.

<sup>71</sup> Daniel Coates, "Organized Labor and Politics in Canada," 128, 130.

<sup>72</sup> C.H. Millard to Neilson (Secretary to the NWLB), 2 February, 1943, Vol. 36, File: USWA General 1942-43, CLC Papers. For example, Dosco refused to negotiate rates for maintenance men. L.A. Forsyth (company lawyer) to Neilson (Secretary of NWLB) 22 March 1943, Vol. 4, File 8, USWA Papers.

<sup>73</sup> W. Mahoney to John Mitchell, 27 March 1943, Vol. 4, File 8, USWA Papers.

<sup>74</sup> Hessian to C.H. Millard, 29 March 1943, USWA Papers.

On March 26 1943 the NWLB announced a seemingly innocuous procedural change which was to be significant in the steel case. It advised that there would now be a right of appeal from the regional boards to the NWLB, if the regional board granted leave to appeal, and if the NWLB accepted the case. This meant that even a "local" dispute might come before the "national" board. A "national industry" designation was no longer a prerequisite.

On 31 March 1943<sup>75</sup> the NWLB finally handed down its unanimous decision. But it did not simply implement P.C. 689 and the Memorandum; it reinterpreted those documents to formulate its own independent (and to the union unsatisfactory) position. The NWLB refused to designate Algoma and Dosco as "national employers." It characterized this as merely a procedural "expedient" to secure a hearing before a "national" tribunal for "an industry which, admittedly contains at least one other extensive employer."<sup>76</sup> Because its procedural amendment now made this possible, it was unnecessary to deal with the union's claim for "national" status. This approach, of course, ignored the union's arguments about the industry's national role and the regional wage differentials.

On the question of the basic wage rate and the bonus, the board questioned its jurisdiction to depart from the wage policy and, ultimately "split the difference" between the union's claim and the amount authorized by law. It fixed the minimum base rate at both plants at 50 cents an hour and selected the larger bonus rate (at Sydney) of 9 cents on hour for both plants. It thereby increased the bonus rate at Algoma by 4 cents and it increased the base rate at Sydney by 4 cents. The result was in accordance with both the principle of uniformity contained in P.C. 689 and the Memorandum stipulation that there could be no decrease in earnings below the agreed minimum rate of 55 cents. The union had gained a small increase in the base rate, and recognition of its plea for uniformity. The board, however, excluded Trenton from the award entirely, on the basis that these companies were not in "basic steel." Thus the union had to go to the regional board for a decision and bring an appeal to the NWLB. The board referred back minor items to the parties and the Department of Labour.

Millard's first reaction was disbelief. He had been confident that the government would implement the terms of the settlement along the lines suggested by King during negotiations.<sup>77</sup> On 5 April 1943 this notion was finally dispelled by Deputy Labour Minister MacNamara who wrote that "the NWLB made its decision quite independently" and that the government was not going to interfere with it. MacNamara admitted that the agreed "national industry" recommendation had not been accepted but he contended (as did the board) that the union's objective had been achieved in a different way by the new right of

<sup>75</sup> *Labour Gazette*, April 1943, 439-44.

<sup>76</sup> This was a reference to Stelco. The union suspected (but could not prove) the existence of company pressure on the board — particularly in light of this allusion to Stelco in the decision.

<sup>77</sup> C.H. Millard to A. MacNamara (Deputy Minister of Labour), 1 April 1943, Vol. 36, File: USWA General 1942-43, CLC Papers.

appeal from regional boards to the national board. This, of course, was not the union's view. Millard contended that "it was very clearly understood that the guaranteed minimum earning rate of 55¢ to be established by [the] order-in-council would form the new base rates for the adjustment of other rates." MacNamara denied that any such assurance had been given. He maintained that the settlement had always been intended to apply to gross earnings which included the bonus.

Millard felt betrayed. In a memo to all locals, he contended that the NWLB had failed to implement *any* of the terms of the settlement; moreover, "express undertakings given by the Deputy Minister of Labour to the union reps have been completely ignored."<sup>78</sup> The national employer issue "was a point on which the union had received most definite assurances from the Prime Minister and Mr. MacNamara." The amendment to the board's by-laws to allow the case to be presented to the NWLB, was made *after* the union had completed its case, apparently to justify the board's decision. With respect to the wage issue, Millard maintained that in negotiations "MacNamara emphatically gave assurances that the 55¢ rate would for all practical purposes be the new base rate and that the amount of the bonus would be for the Board to decide." Although the Memorandum authorized the board to consider the matter on its merits, the decision made no reference to the merits of the case, but once more focused on the strict letter of the wage policy. The NWLB even declined to define Trenton as part of basic steel for the purposes of determining wage rates despite "definite government assurances that at least one of the Trenton plants would be included in the settlement," and the fact that the government had already classified Trenton Steel Works as a "basic steel" plant for Selective Service purposes. In Millard's view, "instead of giving effect to what was solemnly agreed upon in good faith between the union and the government," the case had been treated as an "imaginary" appeal from the regional boards' decisions. He maintained "legalistic evasions and reference to Orders-in-council passed weeks after the case was heard have been used to excuse the Board's failure to carry out the definite undertakings given last January." Millard never wavered from this position.<sup>79</sup> His feeling of betrayal was to mark his future dealings with the government.

The union appealed to the government and Millard advised the membership to hold itself in readiness if further action became necessary. The response of other steel locals was very supportive. Of particular interest was Stelco Local 1005's reaction. It passed a motion that the local was "100% with them and wishes to be included in and advised of, any program of action contemplated so that we may co-ordinate all our activities accordingly." Between mid-April and

<sup>78</sup> C.H. Millard to all locals, Memorandum re the National Board's Decision in the Basic Steel Case, 5 April 1943, Vol. 3, File 6, USWA Papers.

<sup>79</sup> In 1945, he still considered the government's conduct as a breach of faith, and told a union conference that the Memorandum had been repudiated by the NWLB "less than 10 weeks after it was made, and from that point on the federal government failed to honour its agreement." Millard's report to District 5's conference, 14-15 July 1945, Vol. 1 File 16, USWA Papers.

June 1943, tensions in the steel mills increased so much that it was difficult for the union to maintain control.<sup>80</sup> Meanwhile, Millard continued his efforts to get government action. He repeatedly sought an interview with the government but met only with evasion. Finally, on 20 April he saw the Minister of Labour who suggested that Millard put the union's proposals in writing. A conference with King, Mitchell, and St. Laurent was firmly denied and the government would agree only to review the union's written memorandum. This document was discussed in Cabinet early in May. Mitchell eventually responded with a detailed letter reaffirming the government's support of the board decision, and once again denying that there was any inconsistency with the previous government's assurances. Mitchell concluded,

The Department will not interfere with decisions of the NWLB nor will the Government interfere as long as the Board retains the confidence of the Government. Therefore any representations to the effect that the Board's decisions are not proper will require [an application] to be made to the Board itself rather than to the Government and your memorandum and copy of this reply is being transmitted to the NWLB.<sup>81</sup>

It is not clear what Mitchell meant by "the confidence of the Government" but, it was evident that the board would not forfeit that confidence by maintaining the status quo.

## VI

THE UNION HAD CLEARLY been outmanoeuvred. It had not achieved its goals, nor, short of a strike, could it utilize the rising tension in the steel centres.<sup>82</sup> Such unrest meant nothing to the government so long as there was no work stoppage. Millard swore affidavits regarding his statements (partly because he felt that his credibility with his members had been undermined), but despite its disappointment, the union leadership tried to salvage what it could from the settlement. It tried to negotiate new maintenance rates and a reclassification scheme, but failed because the companies would not cooperate. It prepared new cases for the Regional boards and an appeal to the NWLB on the major issues of wages, wage uniformity, the national industry status, and job classification. All of this activity was to drag on for months.

Undoubtedly the union could have shut down the industry once again but it did not do so, despite a seething membership. There were several reasons for this caution. One consideration was public opinion and politics. The CCL unions were not popular in wartime Canada, and were constantly under attack in the press. The Steelworkers' union in particular had been severely criticized for engaging in a strike. Another strike was not a promising prospect in this hostile environment. Moreover, on 9 April 1943 (shortly after the NWLB decision in the steel case), the government announced its inquiry into labour relations and wage conditions. This additional work would delay the NWLB's

<sup>80</sup> C. H. Millard to Philip Murray, 13 April 1943, Vol. 4, File 9, USWA Papers.

<sup>81</sup> H. Mitchell to C. H. Millard, 7 May 1943, USWA Papers.

<sup>82</sup> Millard wrote in June that the tension in the steel centres was at the breaking point. C. H. Millard to Joe Noseworthy, 1 June 1943, USWA Papers.

reconsideration of the steel case, but it also indicated that the federal government was planning to follow Ontario's lead in enacting collective bargaining legislation. The labour movement did not want to do anything which might adversely affect the passage of national collective bargaining legislation, and this was a consideration in determining union strategy.<sup>83</sup> Another inhibiting factor was the union's own optimistic belief that it ultimately would be successful despite the existing setbacks. The temporary internal disunity was soon resolved and by spring 1943, the CCF (with which the Steelworkers' union had an increasingly close affiliation) was making progress.<sup>84</sup> This success was interpreted optimistically because of the CCF's strong support for free collective bargaining.

There were also factors internal to the steel industry, which discouraged a new strike. While the workers were outraged that the agreement with the government had not been implemented, they nevertheless had achieved some wage increases as a result of the strike, and the board decision. The union had successfully displaced Stelco as the wage leader. By depriving Stelco of its most important anti-union strategy, the USWA could increase its credibility with the rank and file and facilitate Local 1005's organizing campaign.<sup>85</sup> In this respect, it had been partly successful, and the union believed it had lost a skirmish but not the war.

This argument was not lost on Stelco which responded in a way which graphically illustrates the relative influence of business and labour in wartime Canada. In June 1943, Stelco successfully petitioned the Ontario Regional Board for an increase that set minimum rates at 55 cents per hour, *exclusive of bonus*. Thus, Stelco restored the differentials between its wages and those of its competitors, and achieved, without difficulty the very objective which when sought by the union had been branded as inflationary, unpatriotic, and an unwarranted challenge to the government's wage policy. But while their relative influence was not the same, there were now two actors on the industrial relations stage, and by 1946 even Stelco would be compelled to recognize it.

<sup>83</sup> Pat Conroy to John Mitchell, 17 February 1943, and Pat Conroy to C.H. Millard, 1 March 1943, Vol. 36, File: USWA, General 1942-43, CLC Papers.

<sup>84</sup> Between April and October 1943 the membership of the Ontario CCF more than doubled and in the Ontario election of August 1943 the CCF became the Opposition. Among its 34 elected candidates were 19 trade unionists including Charlie Millard. Gad Horowitz, *Canadian Labour In Politics* (Toronto 1968), 77. In September 1943, the CCF headed the Gallup Poll in terms of national popularity. Gerald Caplan, *The Dilemma of Canadian Socialism*, (Toronto 1973), 88.

<sup>85</sup> I am indebted to Danny Moore, Labour Archives Co-Ordinator, PAC, who made the point in an unpublished graduate research paper.

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