

# Dependent Development, Labour and the Trenton Steel Works, Nova Scotia, c. 1900-1943

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IN 1883, CANADA'S FIRST STEEL MILL was started by two local blacksmiths in New Glasgow, Nova Scotia. Seventeen years later, with local merchant capital support, this venture constituted one of Canada's largest integrated steel companies, the Nova Scotia Steel and Coal Corporation [Scotia]. Scotia operated secondary steel facilities in Trenton, a primary steel mill and coal mines in Sydney Mines, and iron mines on Bell Island, Newfoundland. The height of prosperity was reached during World War I, when Scotia diversified into munitions production and shipbuilding, and purchased another coal mine. In 1921, Scotia became part of Besco and underwent a rapid process of decline. The primary steel mill in Sydney Mines and the cogging mill and shipbuilding facilities were closed and the Trenton steel facilities neglected technologically. This continued under the Dosco umbrella from 1926 to 1933, in receivership from 1933 to 1938, and from 1938, when Scotia re-emerged as part of Dosco and where it remained at a point of major restructuring in 1943.<sup>1</sup> At this point, new investments for munitions production were provided

<sup>1</sup>The history of Scotia is well known and need not be told here. See James Cameron, *The Industrial History of the New Glasgow District* (New Glasgow 1960) and *A Century of Industry: The Story of Canada's Pioneer Steel Producer* (n.p. 1983); L.D. McCann, "The Mercantile-Industrial Transition in the Metals Towns of Pictou County, 1857-1931," *Acadiensis*, X, 2 (Autumn 1981), 29-64; K. Inwood, "Local Control, Resources and the Nova Scotia Steel and Coal Company," *Historical Papers* 1986, 254-82. For an account of Scotia's steelworkers, see Craig Heron, "The Great War and Nova Scotia Steelworkers," *Acadiensis*, XVI:2 (Spring 1987), 3-34 and *Working in Steel: The Early Years in Canada, 1883-1935* (Toronto 1988). For a history of the Bell Island iron mines, see Peter Neary "'Traditional' and 'Modern' Elements in the Social and Economic History of Bell Island and Conception Bay," *Historical Papers* (1973) and "Bell Island Ballads," in R. Fraser et al., eds., *East of Canada* (Portugal Cove, NF 1976); Thomas Cantley, "The Wabana Iron Mines of the Nova Scotia Steel and Coal Company Limited," *Transactions of the Canadian Mining Institute*, 14 (1911) 274-98. For a treatment of Besco, see David Frank, "The Cape Breton Coal Industry and the Rise and Fall of the British Empire Steel Corporation," *Acadiensis*, VII (Autumn 1977).

L. Anders Sandberg, "Dependent Development, Labour and the Trenton Steel Works, Nova Scotia, c. 1900-1943," *Labour/Le Travail*, 27 (Spring 1991), 127-162.

by the federal government, while the nut and bolt plant and the rolling mills were closed permanently.

Scotia before the Besco merger holds a special place in Maritime historiography. T.W. Acheson argues Scotia signified "the highpoint of a large-developing effort on the part of the Halifax business community to create an industrial region structured on the Atlantic metropolis."<sup>2</sup> David Frank describes Scotia as having had a "strong reputation for cautious management, technical excellence and financial success."<sup>3</sup> James Cameron praises Scotia's local management and lays the blame of decline on the shoulders of Besco.<sup>4</sup> L.D. McCann argues that it was not until the 1920s that the Trenton complex was surpassed technologically by the Stelco steel complex in Hamilton, Ontario.<sup>5</sup> This decline was induced by the cessation of federal assistance in the form of "freight rate preferences, bounties, tariff protection and grants-in-aid for infrastructural development."<sup>6</sup> A recent interpretation of Scotia's fate identifies a deficient resource base in coal and iron as the main cause of decline.<sup>7</sup> In all these studies, industrial decline is viewed as external to the main social agents, capital and labour, in the region and one senses a reluctance to examine critically Scotia's local management, its work force and the role of the provincial and federal states in the decline of Scotia.

The objective of this paper is to examine Scotia's Trenton mills through the unfolding logic of dependent development and the history and outcome of local class forces and state policies in support of and in opposition to that logic. Scotia's industrial and investment performance during c. 1900-43 conveyed several structural and historical weaknesses which resembled the dependent development of the 19th-century coal industry.<sup>8</sup> Investment strategies under "local control" perpetu-

<sup>2</sup>Acheson quoted in Inwood, "Local Control"; see also T.W. Acheson, "The National Policy and the Industrialization of the Maritimes," *Acadiensis*, 1 (1972), 3-34; E. Forbes, "Mis-guided Symmetry," in D. Bercuson, ed., *Canada and the Burden of Unity* (Toronto 1977), 60-86; E. Forbes, *Maritime Rights: The Maritime Rights Movement, 1919-1927* (Montréal 1977).

<sup>3</sup>Frank, "Cape Breton Coal," 13.

<sup>4</sup>Cameron, *Industrial History*.

<sup>5</sup>McCann, "Mercantile-Industrial Transition," 54-5, 59-61.

<sup>6</sup>McCann, "Mercantile-Industrial Transition," 58, 62.

<sup>7</sup>Inwood, "Local Control." Inwood's argument is by no means deterministic but it is problematical in two respects. First, there is no direct and conclusive evidence linking Scotia's financial weakness to the deficient resource base. The second objection is perhaps even more serious. Why were Scotia's iron ore and coal mines deficient when they continued operations for decades and provided raw material for export markets? I am suggesting that it was not Scotia's resources *per se* which were deficient, but rather the context and the way in which they were used. As Zimmerman once put it: "Resources are not, they become." [E.W. Zimmerman, *World Resources and Industries* (New York 1951), 15].

<sup>8</sup>Ian McKay, "The Crisis of Dependent Development: Class Conflict in the Nova Scotia Coalfields, 1872-1876," *Canadian Journal of Sociology*, 13 (1988), 9-48.

ated a dependent development path. Foreign capital was solicited freely and a certain degree of control was ceded to American interests before the Besco merger in 1921. Scotia promoted disarticulation by producing coal, iron, and semi-manufactured steel for external markets rather than for internal growth.<sup>9</sup> Scotia also exhibited meek efforts to maintain the technological edge of its steel facilities. These efforts were consistent with the provincial state policies which failed to formulate, let alone enforce, a policy of local industrialization and diversification. The role of labour at Scotia was ambiguous and contradictory. Before and during World War I, the local labour movement followed the continental pattern; indeed, during the war the industrial union in Trenton was more militant and vocal than in other steel towns in Canada, a trait Craig Heron attributes to the proximity of militant coal miners' unions.<sup>10</sup> The dependent development of Scotia, however, was also expressed in the experience of labour. The workers had to confront relatively low wages and technological shortfalls before the Besco merger. Thereafter, industrial decline and crises were grafted onto an already wanting work situation.

These developments were consistent with state policy which sanctioned the corporate winding down of the Trenton mills and its maintenance of a low-wage and often seasonal labour force of farmers and fishermen. This, however, constituted more than a super-exploitation of semi-proletarianized labour. It also reflected the relative political success of a working-class community to remain and retain a local industry. The revival of industrial unionism in 1937, and the labour scarcities of World War II, however, sank the final nail in the coffin of the Trenton steel works. Dosco was provided with an excuse to close the rolling mills and nut and bolt plant, as well as an incentive to lobby for federal funds and labour concessions for industrial restructuring and future industrial "prosperity."

### *Foreign Capital and Scotia*

THE FORMATION OF BESCO has been seen generally as the beginning of the end for Scotia's steel facilities in Trenton. Foreign capital took over in 1921 and Scotia declined. But this is clearly an over-simplification. Scotia had been highly dependent on foreign capital in the past, especially during times of expansion, and these investments were forerunners to the final merger with Besco.<sup>11</sup> United States and

<sup>9</sup>The term disarticulation refers to the lack of integration between various economic sectors. Samir Amin describes a disarticulated economy as being composed of a few sectors producing staples and semi-manufactured goods. These sectors often are foreign-owned and export their material to foreign countries. This prevents the local development of multiplier effects. Instead, "any such effect is transferred abroad [and] the sectors of the underdeveloped economy appear as extensions of the dominating advanced economy." Samir Amin, *Accumulation on a World Scale*, Vol. I (New York 1974), 17.

<sup>10</sup>Heron, "Great War," and *Working in Steel*.

<sup>11</sup>Inwood, "Local Control."

British capital were drawn upon in the early stages of development. In 1901 it was rumoured that the facilities at Sydney Mines and Bell Island were in the process of being sold to American and Montréal capitalists.<sup>12</sup> In 1909, Scotia President R.E. Harris, advocated issuing bonds and debenture stocks in Britain as the amount of investment capital was limited in Canada.<sup>13</sup> In 1910, Montréal-based foreign capitalists tried to take over Scotia, but local owners retained control. Scotia still relied heavily, however, on external sources of capital throughout the period 1901-14 — a serious weakness as successful steel companies “at this time typically financed growth in large measure through the reinvestment of profits.”<sup>14</sup>

During World War I, munitions production required the addition of a new blast furnace and other equipment at Sydney Mines, and conversion of machines in Trenton.<sup>15</sup> Foreign capital, represented by the Stone and Webster holdings of Boston and New York, was solicited; in November 1915, president and general manager, Thomas Cantley, was in New York and secured the sale of a block of treasury shares.<sup>16</sup> The following year, Scotia Vice-President W.D. Ross visited Boston and secured another loan from Hayden, Stone and Company.<sup>17</sup> In the same year, N.B. McKelvie joined the Scotia board as the representative of the investment house Hayden, Stone and Company of New York.<sup>18</sup> In 1917, the same interests provided an additional investment of working capital and the Americans were in effective control.<sup>19</sup>

The Americans nevertheless claimed that they never intended to run Scotia.<sup>20</sup> But they did maintain three seats on the board of directors; Galen Stone became chairman of Scotia's finance committee, and an American general manager, F.H. Crockard, was employed. Crockard, however, remained at his position for only a short period and managerial duties reverted to Canadian hands in 1919, when Dominion Steel's D.H. McDougall was appointed president.<sup>21</sup>

In 1921, Scotia became part of Besco. Many have regarded this event as an external assault by foreign capital and a decisive factor in Scotia's decline. But the

<sup>12</sup>*Pictou Advocate* (Pictou), 10 May 1901.

<sup>13</sup>*Report of Directors of the Nova Scotia Steel and Coal Company* (New Glasgow 1909), 13.

<sup>14</sup>Inwood, “Local Control,” 264.

<sup>15</sup>*Free Lance* (Westville), 23 November 1915.

<sup>16</sup>*Eastern Chronicle* (New Glasgow), 15 November 1915.

<sup>17</sup>Inwood, “Local Control,” 264.

<sup>18</sup>Frank, “Cape Breton Coal,” 14.

<sup>19</sup>Frank, “Cape Breton Coal,” 14.

<sup>20</sup>Mr. Stone, of Hayden and Stone, stated in 1918: “... it was not the wish while the major portion of the stock was held in the United States to make the company an American one. The desire was that it continue purely as a Canadian institution, operated by Canadians, that it should expand and progress into one of the great steel industrial concerns of the continent.” *Eastern Chronicle*, 17 September 1918.

<sup>21</sup>Frank, “Cape Breton Coal,” 14.

merger was not something imposed by external agents and resisted by local interests. Scotia's shareholders voted in favour of the merger by a margin of 83,343 to 200 shares.<sup>22</sup> The final takeover of Scotia by Besco was not an external assault on local interests, but a logical extension of the dependence on international capital and the substantial control by American capital during World War I.<sup>23</sup>

The provincial state's role during these critical years was one of unqualified support for the free flow of capital in and out of Scotia. During the threat of the Montréal takeover of Scotia, for example, the opposition Conservatives and even some Liberal backbenchers advocated state intervention to retain local control. A bill to this effect was introduced in the local legislature, but was stripped of its powers on the principle that property rights were sacrosanct and should be protected even if they were held by thieves.<sup>24</sup> At a later stage, Liberal Premier Armstrong favoured the Besco merger despite several warnings, arguing strongly against "any action that would intimidate capital from embarking in Nova Scotia at such a critical time as the present."<sup>25</sup> An added incentive was the incorporation fee paid by Besco in the amount of \$75,215.<sup>26</sup>

A similar story was repeated when Scotia became part of Dosco in 1938. Although Scotia possessed "ample assets to take care of its obligations," its bond, security and shareholders wished to merge with Dosco.<sup>27</sup> The nature of the transfer and the previous conduct of the receivers was questioned by the Attorney-General, but nothing was done to interfere or remedy the perceived inconsistencies. Although challenged at the time, the sentiments of one of the representatives of the receivers may well have prevailed in the end: "I think it would be very injurious to the industry and the Province at large if the impression went abroad, from what has been said from the Bench today, with regard to the accounts of the receivers and managers, that the accounts had been prepared other than in a proper fashion."<sup>28</sup>

### *Disarticulation: An Emphasis on Basic Steel Production and Staples*

SCOTIA IS OFTEN PRAISED in contrast to the Disco-Besco-Dosco empire, but the difference may have been more apparent than real.<sup>29</sup> Although Scotia performed a

<sup>22</sup>*Eastern Chronicle*, 8 April 1921. The details of the merger are covered in Frank, "Cape Breton Coal," 13-5.

<sup>23</sup>Inwood, "Local Control."

<sup>24</sup>J.M. Beck, *Politics of Nova Scotia*, II (Halifax 1988), 44.

<sup>25</sup>Quoted in Frank, "Cape Breton Coal," 23.

<sup>26</sup>Beck, *Politics of Nova Scotia*, II, 76.

<sup>27</sup>*Eastern Chronicle*, 13 January 1938, 1, 4.

<sup>28</sup>In the Supreme Court *En Banco*. The Eastern Trust Company and Nova Scotia Steel and Coal Company, 15 July 1938. Minutes of Evidence, 20. These comments were severely criticized from the Bench but nevertheless reflect the special position that business representatives considered themselves to possess at this time.

<sup>29</sup>For a history of the Disco-Besco-Dosco empire which became Sysco, see "Report on Sydney Steel," *Canadian Dimension*, 14:4-5 (February-March 1980), 33-52.

certain degree of secondary manufacturing, its real efforts were concentrated in semi-manufactured steel and staple production for external markets.<sup>30</sup> Scotia was an enclave economy dependent on the Central Canadian market. One major customer was the whole complex of Ontario agricultural implements industries, which at one point procured all its steel from Scotia.<sup>31</sup> Cantley claimed Scotia supplied 40 per cent of all steel used to manufacture farm implements in Ontario.<sup>32</sup> Cantley started his career with Scotia as a salesman for agricultural-implement steel in Quebec and Ontario.<sup>33</sup>

At a later stage, Scotia and Eastern Car were equally dependent on Canada's railway construction boom during c. 1900-20. Cameron argues that "Scotia Steel could not have grown without the orders from the railway builders for rails, tie plates, fish plates, track bolts, nuts, spikes, car axles and railway cars."<sup>34</sup> The market was national, and the steel for freight cars made at Eastern Car in Trenton, National Steel Car in Hamilton, Canada Car in Montréal were supplied by the Trenton mills.<sup>35</sup> During the 1910s the dependence on the railways deepened, and in 1919 Archibald McColl, Scotia's secretary, stated: "Our work for a number of years has been largely railway work. That is car building and material used in railroad construction work."<sup>36</sup> In the 1920s and 1930s the railways not only constituted an important market outlet for the entire Nova Scotia steel industry, but also the industry's *raison d'être*. By this time the Nova Scotia steel industry was "mainly engaged in supplying steel rails and other materials forming part of the equipment of the Canadian National Railways or needed for the construction of rolling stock for the same company."<sup>37</sup> Given declining railway orders, Heron is correct to attribute the decline of Scotia to its heavy reliance on railway material. But it is less likely that Scotia's position had been any stronger or more diversified in the past. Scotia's past manufacturing was "based on widely diversified product lines

<sup>30</sup>Frank, "Cape Breton Coal," 7; *Evening News* (New Glasgow), 18 November 1914.

<sup>31</sup>Cameron, *Industrial History*, v-18.

<sup>32</sup>*House of Commons Debates*, 23 May 1930, 2489. It was small wonder, in this context, that from 1901 to 1909, Lyman Melvyn Jones, President of Massey-Harris, was one of the directors of Scotia. See Frank, "Rise and Fall," 13.

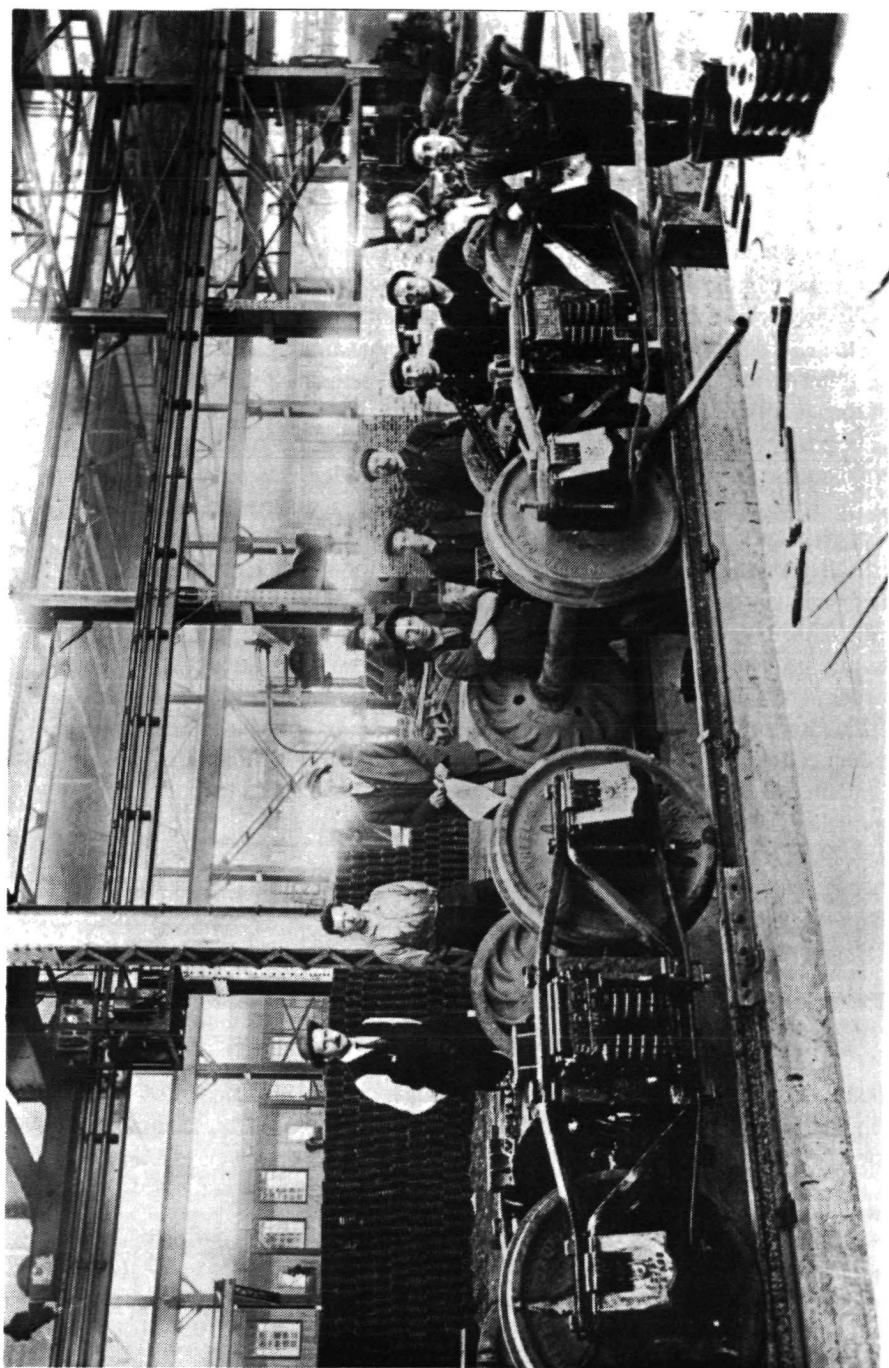
<sup>33</sup>Cantley Papers. MG1 No. 174, Provincial Archives of Nova Scotia (PANS), 1885 and 1886 Correspondence files. See, for example, Fraser to Cantley, 22 August 1885 and Fraser to Cantley, 20 September 1886.

<sup>34</sup>Cameron, *Industrial History*, vii-1.

<sup>35</sup>Cameron, *Industrial History*, v-18. One source claims ninety per cent of all steel for the car works was supplied by the Trenton steel works in 1914. "Eastern Car Company's Mammoth Plant," *MacIntosh's Investment Review*, (April 1914), 3-5. In *Micro: Biography*: Hambleton, Arthur, #24, PANS.

<sup>36</sup>Evidence. Canada. Royal Commission on Industrial Relations, 1919 p. 3581 (microfilm) Department of Labour Library, Ottawa. (hereafter Evidence. RCIR, 1919).

<sup>37</sup>*Nova Scotia. Report of the Royal Commission Provincial Inquiry* (Halifax 1934), 45.



Workers at the Eastern Car Company, Limited, circa 1917. (Picture courtesy of Nova Scotia Museum of Industry and Transportation, Stellarton.)

and markets" but was still confined to semi-manufactured steel for external markets already from the inception.<sup>38</sup>

Disarticulation continued as Scotia converted and expanded steel facilities for shell manufacture during World War I. Scotia's former production lines were either converted or neglected and only a small percentage of the shells forged were finished locally.<sup>39</sup> The pattern was consistent with previous industrial strategies promoting short-term gain but long-term disarticulation. The semi-finished steel components supplied to agricultural implements industries and railway companies were replaced by unfinished shells supplied to central Canadian industries with the capacity to finish shells. The traditional lines of steel-making were neglected. Scotia secretary Archibald McColl estimated that 60 per cent of Scotia's orders during the war were for munitions. He also claimed that although the company had been paying dividends during the war, these were not paid out of the manufacturing operations (car building and steel rolling).<sup>40</sup>

The politics of industrial development was an important ingredient in Scotia's munitions production. General Manager Thomas Cantley was a member of the so-called Shell Committee which awarded contracts to industries to manufacture and finish shells. Cantley thus was in a position to award contracts to himself. Other industrialists on the committee were in the same position, which eventually led to the disbandment of the committee and the formation of the Imperial Munitions Board. With the decline of the railway and munitions market, the politics of marketing became important. Scotia came to rely more on political connections and federal patronage to secure orders than on the quality and price of its products. In 1920, former general manager Cantley sat on the Board of Management of the Canadian National Railways, while at the same time being a director of Eastern Car, Scotia and Brandram-Henderson Paints and Varnishes. His tenure of public and private office no doubt helped procure orders:

As regards a request for cars, if the railway management want cars, they can, without going outside the circle of directors, obtain cars from the Eastern Car Company of which their director, Colonel Thomas Cantley, is also a director. If they need paint the cars, Brandram-Henderson Ltd. will no doubt be willing to supply them. If they need coal the Nova Scotia Steel and Coal Company, of which Colonel Thomas Cantley is also a director, will no doubt be prepared to sell them.<sup>41</sup>

In 1933, Scotia went into receivership and the receivers engaged Dosco's Colonel McDougall as a technical advisor at the salary of \$900 per month. McDougall, like Cantley before him, was expert in marketing Scotia iron ore, as well as a director

<sup>38</sup>Heron, "Great War," 4.

<sup>39</sup>*Canadian Mining Journal* 15 November 1914, 751; Cameron, *Industrial History*, v-9.

<sup>40</sup>Evidence. RCIR, 1919, 3581.

<sup>41</sup>Mr. McMaster (representing Brome), *House of Commons Debates*, 5 April 1921, 1611.



of Eastern Car and the Canadian National Railway.<sup>42</sup> Undoubtedly, the business secured by Scotia was in no small measure a function of political connections and lobbying by Pictou County's elected officials in Ottawa and Halifax.<sup>43</sup>

The emphasis on crude steel for export was paralleled by a slow shift from steel production to the extraction and export of iron and coal. Scotia, well before its merger with Besco, concentrated mainly on staple production for export (coal and iron ore), a highly profitable sector in the short term, while the secondary lines of steel production were neglected.<sup>44</sup> The emphasis on staple production was expressed in many other ways. From 1895 to 1910, Cantley became a salesman of the large output of iron ore on Bell Island which was exported to the United States, Germany and Great Britain.<sup>45</sup> Rather than transport the ore in local steamers, made from local steel, Scotia contracted with Norwegian owners to charter steamers 5,000 to 7,000 tons deadweight. The dealings with Norway continued until World War I, and Scotia time-chartered ten to fifteen large steamers each year to carry the company's coal and ore.<sup>46</sup> Compared to the steel ships built at the Scotia shipyards during and immediately after the War, these Norwegian steamers were up to three to four times larger. None of the ships built at Trenton during the war had a gross tonnage exceeding two thousand tons.<sup>47</sup> Cantley was highly successful in finding markets for the iron ore: an effort which likely benefited from his experience as a salesman of Scotia steel in the 1880s. Indeed, local critics argued that Cantley was a better salesman than manager of steel.<sup>48</sup> After the war, the emphasis on coal and iron ore exploitation continued. Scotia bought the Acadia Coal Company in 1919 and after the merger with Besco, coal and iron continued to be extracted and exported.

By 1921, the breakdown of Scotia's holdings and additions for 1920-21 showed a clear bias in favour of the iron and coal operations. The Bell Island iron mines were valued at \$10,036,599 with \$285,137 in additions. The Sydney mines coal operations were valued at \$6,268,967 with \$726,936 additions. The soon-to-be-closed Sydney Mines primary steel facilities were valued at \$3,360,237 with \$21,743 in additions. The Trenton plant had a value of \$3,496,748 with additions of \$20,429.<sup>49</sup> Scotia had certainly set the stage for Besco's bias toward export

<sup>42</sup>In the Supreme Court *En Banco*. The Eastern Trust Company and Nova Scotia Steel and Coal Company. 15 July 1938. Minutes of Evidence.

<sup>43</sup>*Eastern Chronicle*, 14 October 1921, 4; and 16 December 1921, 1.

<sup>44</sup>*Maritime Mining Record* (Stellarton), 8 (14 November 1906), 11-12; Informant to the *Montreal Star* quoted in the *Pictou Advocate*, 31 December 1907.

<sup>45</sup>Cameron, *Industrial History*, iv-9.

<sup>46</sup>Cameron, *Industrial History*, iv-10.

<sup>47</sup>Cameron, *Industrial History*, vii-23-26.

<sup>48</sup>Cameron, *Industrial History*, iv-12.

<sup>49</sup>Nova Scotia Steel and Coal Company, Limited. Recapitulation of Sundry Properties, 31 December 1921. Hawker-Siddeley Papers. Dalhousie University Archives (DUA).

staples in the years to come. Coal was the leading and most profitable line of production after World War I, and the frequent and substantial cuts in wages imposed on the miners were used to subsidize the less-profitable lines of steel manufacturing.<sup>50</sup> The latter lines of production were not, however, only suffering from a general trade depression and adverse federal policies. Union officials charged that the idleness of the steel plants was due to the selling of iron ore to Germany. As a result, Besco refused to apply for government railway orders, and the coal miners were forced to pay (through wage reductions) the enforced idleness at the steel plants.<sup>51</sup> Iron ore exports later were instrumental in making Scotia profitable and attractive to Dosco in 1938; Scotia's receivers attributed increasing sales of iron ore to the re-armament in Europe and the civil war in Spain.<sup>52</sup> In 1938, Scotia's property accounts were adjusted after years of inflated book values. Wabana was valued at \$6,943,537.56; Sydney Mines collieries at \$3,203,599.17; Sydney Mines steel plant at \$20,000; and the Trenton steel plant at \$1,036,789.59.<sup>53</sup> The relatively large downward adjustment of the Trenton steel facilities was due not only to their declining importance, but also to technological neglect.

#### *Secondary Steel Manufacturing and Technological Neglect*

DESPITE SEVERAL IMPORTANT IMPROVEMENTS and additions to the secondary steel sector of Scotia, community, labour and even company spokesmen argued (and surviving company records show) that the steel facilities were neglected technologically, a circumstance which had serious implications for Scotia's long-term viability.

In 1943 — in the evidence given before a Royal Commission — it was revealed that Scotia's most-recent improvements to its machinery dated from World War I.<sup>54</sup> At that stage, however, the improvements were highly selective and by no means all-encompassing. One major improvement involved shell-production machinery, used in the temporary line of manufacturing called forth by the war. The company's technological edge in this line of production was not matched in others. The spokesman for the men during a strike in 1915 stated: "It is only in certain

<sup>50</sup>D. Frank, "Coal Masters and Coal Miners: The 1922 Strike and the Roots of Class Conflict in the Cape Breton Coal Industry," MA thesis, Dalhousie University, 1974, 118-9.

<sup>51</sup>*Workers' Weekly* (Stellarton), 26 May 1922.

<sup>52</sup>In the Supreme Court En Banco. *The Eastern Trust Company and Nova Scotia Steel and Coal Company*. 15 July 1938. Minutes of Evidence, 27. Dosco was primarily interested in the iron mines at Wabana, the collieries at Sydney Mines and the Eastern Car plant in Trenton. *Eastern Chronicle*, 11 January, 1938, 1.

<sup>53</sup>SC No. 8393 1/2 1938. *Nova Scotia Steel and Coal Company and the Domestic Dominion and Foreign Corporations Act R.S. 1923, 173 and Amendment*. Affidavit by Robert C. McDonald.

<sup>54</sup>*Nova Scotia. Report of the Commissioner on Trenton Steel Works, 1943*. Judge W.F. Carroll, Commissioner (Halifax 1944), 23.

parts ... that this plant can be said to excel anything in Canada or in America. In many other respects it does not compare with other steel plants as the company has suggested.<sup>55</sup> Four years later, the technological state of the plant was once again criticized by the men who claimed that Scotia, "which has available \$5M, good credit with the banks, and financial institutions, and enormous natural resources to pledge for further advances, should make the capital expenditures necessary to install up-to-date machinery. A great part of these improvements have been overdue for 20 years (1899-1919)."<sup>56</sup> The rolling mills, for example, were out-of-date. In 1915, one of the mills, No. 1 mill, was described as "pretty much the same as it was when the Steel Works started (1883)."<sup>57</sup> And in the Royal Commission of 1943, one expert rendered the following comment:

These mills to my knowledge have had no improvements since the winter of 1917-18.... They were then (1917-1918) old and practically antiquated. The labour cost was excessive and costs high in labour maintenance and material. Further, not one of those mills had anything like sufficient room to cool and handle their products.<sup>58</sup>

The rolling mills were also fuelled by coal which meant that they had to be cleaned four times daily, entailing a time loss of three quarters of an hour. In Sydney, gas furnaces, which required no cleaning, had been installed.<sup>59</sup> The lathes which turned the rolls were also old. The general superintendent wrote during the early 1920s:

We have 4 lathes at present in our Roll Turning Shop, the two of which are used for turning 9" and 18" mill rolls are in very bad condition and are practically worn out. These lathes are very old, have been consistently under repair, and as a result of their present condition our Roll Designer claims we are losing 1/3 efficiency. We have only one lathe in good condition for handling 18" and Plate Mill rolls, and one lathe in fair condition for handling 9" mill rolls.<sup>60</sup>

It was ironic that one of the mills which was equipped with good rolls, the plate mill, was itself deficient. The plate mill engine was in a poor condition and in need of repairs. The condition of the cylinders caused excessive steam consumption and the method of driving caused innumerable delays and resulted in general dissatisfaction and high cost of upkeep. In 1923, the problem had been critical for five years and the mechanical superintendent who raised the concern recommended

<sup>55</sup> *Free Lance*, 25 September 1915.

<sup>56</sup> Evidence. RCIR, 1919, 3536.

<sup>57</sup> *Free Lance*, 25 September 1915.

<sup>58</sup> Evidence. Nova Scotia. Report of the Commissioner on Trenton Steel Works, 1943, Vol. V, 398, RG 44, Box 15, PANS.

<sup>59</sup> *Labour Gazette*, July 1920, 832.

<sup>60</sup> General Superintendent to A.M. McColl, 30 June 1924, General Correspondence, 1919-1925, Hawker-Siddeley Collection, DUA.

swift action: "... I do not think it wise to accept any responsibility for what may happen to the Engine and the mill if some steps are not taken."<sup>61</sup>

A comparison was made between the Trenton and Stelco plate mills in 1923. The Trenton production averaged 5430 plates per ten-hour shift against Hamilton's 7830 plates. The labour cost per ton was \$1.59 against \$1.28 for Hamilton. The discrepancy was clearly a reflection of the state of technology of the two mills. Yet, the Trenton mills were not upgraded; instead, the comparison resulted in a wage reduction for Trenton steel workers.<sup>62</sup> From 1927 to 1930, the plate mill was idle, and in 1931 it was filling a CNR order on the basis of providing emergency employment.<sup>63</sup> In 1942, the plate mill was closed for good, and a new 110-inch Plate Mill was opened at Sydney. Company Spokesmen were less than candid about the long-standing neglect of the mill: "Even in peacetime the Eastern Car Company has on several occasions purchased its plates from Hamilton, Ontario, rather than from the Trenton Steel Works. The fact of the matter is that plates could always be delivered to Eastern Car cheaper from Hamilton than they could be rolled on the old mill at Trenton."<sup>64</sup>

The shipbuilding operations which Scotia had commenced during the war also lacked modern equipment. The *Workers' Weekly* referred to the shipyard as "that wonderful plant" and it was generally known that the poor working conditions and low wages paid at the plant compensated for the lack of modern machinery.<sup>65</sup> Small wonder that the shipyard was closed and dismantled in the early 1920s.

Even the car works, established as late as 1913, and at that time modern and well-equipped, were left to deteriorate. In a report on the car works, addressed to the president on 29 April 1943, the superintendent wrote that

the question of modernizing the plant has been up different times since 1929, but no money in any proportion has been spent on the plant so far. The result is that the Eastern Car Company, Ltd., is far behind its competitors in machinery and equipment and both the staff and the men know and feel the disadvantages that they have to cope with.<sup>66</sup>

<sup>61</sup>Mechanical Superintendent to J.H. Smith, General Superintendent, 15 February 1923, Hawker-Siddeley Collection, DUA.

<sup>62</sup>General Superintendent to A. McColl, 7 March 1924, Hawker-Siddeley Collection, DUA.

<sup>63</sup>SC No. 4668, 1933. Eastern Trust Company and Nova Scotia Steel and Coal Company. Affidavit by F.H.M. Jones.

<sup>64</sup>Memorandum prepared by Messrs. C.M. Anson and W.S. Wilson arising out of the Interim Report, dated 8 April 1944, of Mr. F.L. Estep, Consulting Eng. In file entitled "Curtailment Operations at Trenton Works: Closing down, mills and bolt and nut depts. etc. 1944." Hawker-Siddeley Collection, DUA; *Workers' Weekly* and *Pictou Advocate*, 19 September 1919.

<sup>65</sup>*Workers' Weekly* and *Pictou Advocate*, 19 September 1919.

<sup>66</sup>General Superintendent to O.P. Stensrud, President, 29 April 1943, Hawker-Siddeley Collection, DUA.

The superintendent noted other severe handicaps:

On account of the plant having only one-half the output of the other two Car Companies, it is at a disadvantage in getting long runs as the orders are generally smaller in quantity, and the setting up of dies, tools and equipment for a small contract is the same as for a large one. The company also is at a disadvantage on account of the cost of material delivered at the plant; for instance, material delivered at Trenton for a box car costs \$50.00 more than it does at Montréal, and \$75.00 more than at Hamilton.<sup>67</sup>

The author added that the car works were not disadvantaged with respect to markets since all cars were sold and "delivered f.o.b. C.N.R. tracks, Trenton." Concern about the competitive state of the plant in 1929 indicates clearly that the car works had been neglected for an extended period, perhaps even while under local ownership and control. The difficulties at the car works were also interrelated to the neglect and decline of the steel works.

The steel works supplied all the 'raw material' to the Trenton car works and, indeed, also to the car works in Montréal and Hamilton initially.<sup>68</sup> In time, however, this flow of material was reversed, a function, no doubt, of the neglect of the steel works. Trenton's decline as an industrial centre based on secondary steel manufacturing, then in part resulted from a decline of the rolling mills which began in the early 1900s. Had the rolling mills been kept up-to-date and expanded, the car works might have performed better, older industries might not have closed, and even new industries perhaps might have been attracted to the county. The working-class community was keenly aware of this equation, and the local press was full of references to the need to upgrade the steel works after the 1918 Armistice. When Scotia purchased the Acadia Coal Company in December 1919, the *Workers' Weekly* reported: "All that is necessary is the proper machinery, and before many years, the East River will be known as the Clyde of Canada."<sup>69</sup> In 1921, the women of Trenton called on Scotia to use its \$1.25 million profit of 1920 to extend its plant, "put in new mills and build up this old-cried down shack into a modern well-equipped place that would prepare them when ready, to take orders and figure at prices that would compete with other companies."<sup>70</sup> These were not unwarranted suggestions. Disco had added some material and improved its facilities in Sydney

<sup>67</sup>General Superintendent to O.P. Stensrud, President, 29 April 1943, Hawker-Siddeley Collection DUA.

<sup>68</sup>Cameron, *Industrial History*, v-18.

<sup>69</sup>*Workers' Weekly*, 5 December 1919.

<sup>70</sup>*Workers' Weekly*, 8 April 1921. The reference to the Trenton works as an old cried down shack may not have been far from the truth. In 1924, the smoke stacks of the Trenton Works were in such bad need of painting that the General Superintendent was afraid they would fall down due to rusting away. General Superintendent to Mr. Stanfield, General Purchasing Agent in Sydney. Hawker-Siddeley Collection, DUA.

after the war. During the 'arrested development' of 1908, Scotia took time to improve and extend its plants.<sup>71</sup>

In 1915, General Manager Cantley claimed that the reason for Scotia's solid standing was that "the directors and management were courageous enough to invest such a sum of money [that] today we can handle material as well as any Steel Works I know on this continent or across the water."<sup>72</sup> Cantley's assessments were exaggerated but nevertheless indicate that it was common practice, as it is today, to upgrade the means of production during general economic depressions. Indeed, even Scotia's manager, D.H. McDougall, expressed the appropriateness of plans to modernize and extend Scotia operations:

New business, said McDougall, is offered to a limited extent which are at present [1919] attractive to the Scotia Co., consequently, now is the time to make the necessary preparations for the future. With this in view certain extensions of plant which have been contemplated for some time will also be planned and undertaken where possible during the shutdown.<sup>73</sup>

The finances of Scotia did not seem to be an obstacle in the execution of these plans. Cameron argues that in 1920 Scotia was in a "fair position financially" and in a "prosperous condition" generally.<sup>74</sup> Throughout the war, Scotia's directors enjoyed a handsome annual bonus of \$25,000.<sup>75</sup> Yet the company, before and after the Besco merger, did not invest in new technology and machinery except in the highly profitable lines of munitions production. It could state only that the lack of orders was due to the fact that it "couldn't compete with other companies on account of poor equipment."<sup>76</sup> Scotia's Trenton facilities, in other words, were maintained sparingly and equipped poorly as a conscious and deliberate policy despite the good financial position inherited from the very profitable manufacture of munitions.

Was there no up-to-date machinery at Trenton capable of turning out competitively-priced goods? The hydraulic forges which had been imported from Germany just before the war fall into this category. The big press was reported to be one of the largest and most up-to-date in Canada, and the forging shops among the best equipped to complete work quickly. Yet this part of the plant suffered from intermittent operation and repeated closures.<sup>77</sup> Complaints were also voiced about the lack of up-to-date machines for finishing.<sup>78</sup> By 1933, the forge department was

<sup>71</sup>*Pictou Advocate*, 9 January 1909.

<sup>72</sup>*Free Lance*, 25 September 1915.

<sup>73</sup>*Eastern Chronicle*, 24 January 1919.

<sup>74</sup>Cameron, *Industrial History*, 111-13.

<sup>75</sup>In the Supreme Court *En Banco*. The Eastern Trust Company and Nova Scotia Steel and Coal Company. 15 July 1938. Minutes of Evidence.

<sup>76</sup>*Workers' Weekly*, 15 July 1921.

<sup>77</sup>*Workers' Weekly*, 3 December 1920.

<sup>78</sup>Superintendent of unknown person, probably written in the early 1920s (the first page of the letter is missing), *General Correspondence* 1919-25, Hawker-Siddeley Collection, DUA.

also considered old and out of date but in good condition and providing a fair return, particularly on freight-car axles. These were supplied to the Eastern Car Company and the Canadian Car and Foundry Company in Montréal; the market for the National Steel Car Company and CNR in Ontario had been lost with the formation of the Dominion Steel Foundries in 1928.<sup>79</sup> The hand labour employed at the forge was maintained until 1947, when the company installed a manipulator that did the tong's work of the axle maker and his helpers.<sup>80</sup>

A lack of aggressiveness in marketing was also a plight common to Scotia:

It is pointed out on the street that while our steel plant is short of orders, that the Upper Provinces' steel plants employ travellers to constantly cover Nova Scotia in search of trade and evidently are successful. A representative of the Canadian Steel Company (Stelco), it is said, is ever on the road hustling business among the merchants, dealers and smaller users of steel products, and the orders go to Hamilton, Ontario. It may be that the material sold is not within the grasp of our steel industries to manufacture, but it does not seem out of place that the smaller producer of steel should send a 1000 miles away to procure his requirements.<sup>81</sup>

Scotia kept track of Stelco's marketing efforts; company correspondence noted that between August 1921 and May 1922 Stelco consigned an average of 33 cars per month from Montréal to Halifax. Stelco endeavoured to have one car per week arrive in Halifax and Stelco representatives called on persons to pick up orders, "no matter how small."<sup>82</sup> The same correspondence indicated that Scotia was still holding on to the local market for its own products. This is confirmed by another source which also shows the lack of strength and aggressiveness in this market: "Up until 1920 the steel wares manufactured at Trenton had to a large extent control of the Maritime market, which was not an insignificant one. Gradually this was invaded by the Steel Company of Canada, which produced a more varied quantity of products."<sup>83</sup> As indicated, this market was not "insignificant." Indeed, there was room for expansion in some areas<sup>84</sup>, but lack of technological diversity and lack of aggressive marketing cost Scotia the orders. Scotia also lost its export markets, and this was not only due to technological neglect and stiffer competition but also to Scotia's questionable performance in these markets. In May 1923, for example, axles sold to the Canadian Car and Foundry Company were considered substandard but were still sent; a sales department official commented:

<sup>79</sup>SC No. 4668, 1933. Eastern Trust Company and Nova Scotia Steel and Coal Company. Affidavit by F.H.M. Jones.

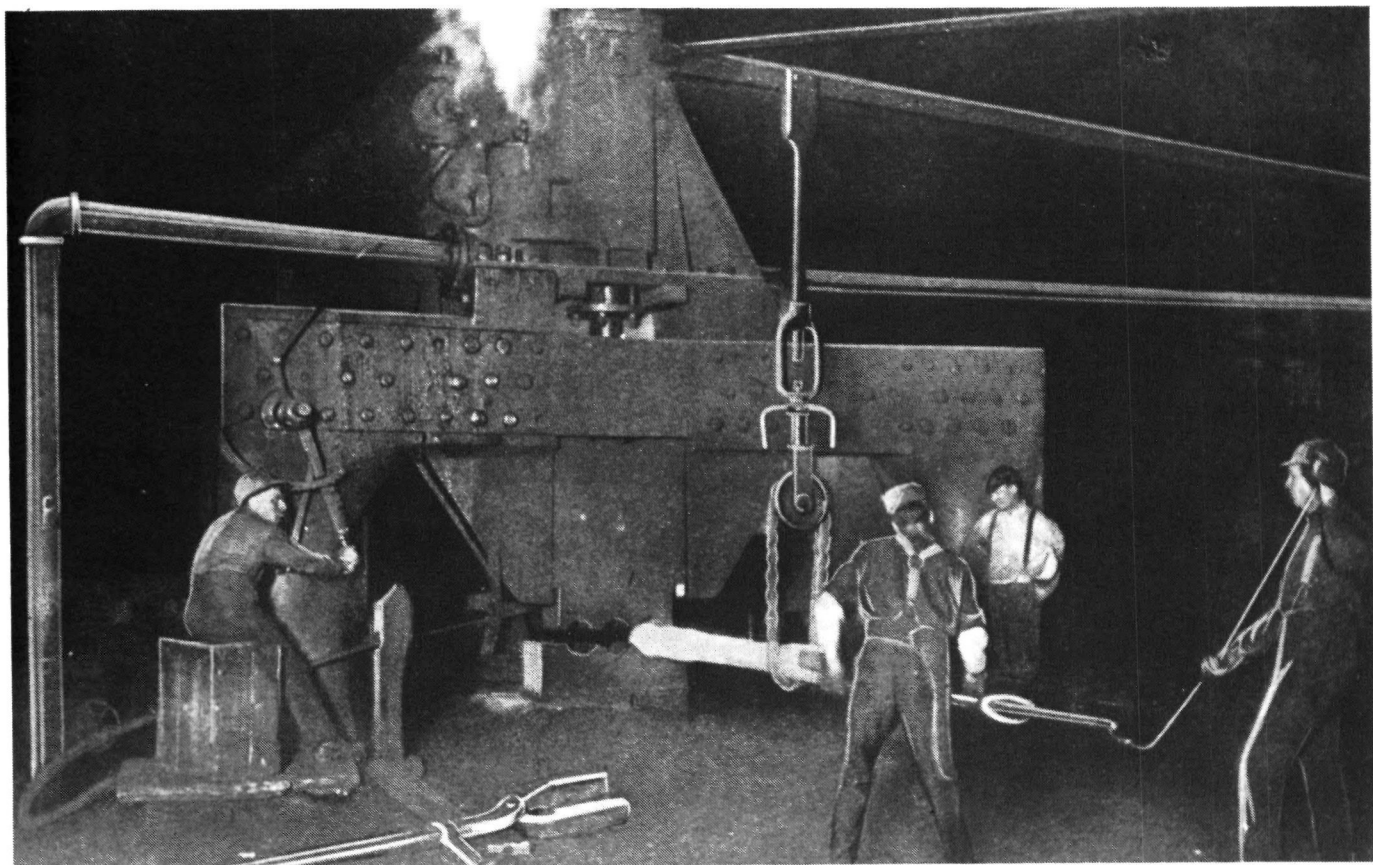
<sup>80</sup>Cameron, *A Century of Industry*, 27.

<sup>81</sup>*Eastern Chronicle*, 21 October 1919.

<sup>82</sup>Sales Department to A. McColl 2 January 1923, Hawker-Siddeley Collection, DUA.

<sup>83</sup>*Nova Scotia. Report of the Commission on Trenton Steel Works, 1943*. Judge W.F. Carroll, Commissioner (Halifax 1944), 23.

<sup>84</sup>*Eastern Chronicle*, 10 October 1919.



Workers at the Axle Hammer of the Nova Scotia Steel and Coal Company Limited, 1916. (Picture courtesy of *Nova Scotia Museum of Industry and Transportation, Stellarton.*)



"Personally I do not think we have exhibited good business, although it may be to our interest if we could get away with such a thing."<sup>85</sup>

The problems of the forging shops were augmented by another unfavourable condition. One superintendent at the Trenton facilities wrote in the early 1920s:

If ... the cost of our steel was brought down we would have a much better opportunity to capture a larger share of the trade in this line (shafts and forgings). We assume that Welland imports their billets of forging steel and in order to underbid us we believe they must be getting some cheaper than our stock is costing us from Sydney.... I understand through our Mr. McNeil that Canada Cars are able to buy their billets from Sydney cheaper than we are.<sup>86</sup>

The Trenton forging plant, then, was lacking technologically in some respects and was suffering from a high and discriminatory price of billets from Sydney. The rolling mills were also, of course, suffering from this circumstance. This was by no means an invention of Besco. It was a continuation of a policy implemented by Scotia from the very beginning. The Trenton forge and mills never received steel billets from Sydney Mines at cost, although the Intercolonial Railway provided special rates for the Trenton-Sydney Mines run up to 1920. In 1903 it was stated: "The plants at Sydney Mines and Trenton will ... be placed on the same footing as if they belonged to rival companies, the standard by which they will be compared being the price at which they can sell their products in Montréal."<sup>87</sup> Scotia's and later Besco's Cape Breton facilities then, profited at the expense of the Trenton facilities. This was a condition which continued after the demise of Besco, under a period of receivership in the late 1920s and 1930s, and under the Dosco empire subsequently; from 1921, however, the Trenton facilities received raw steel from the Besco/Dosco steel plant in Sydney. When commenting on this arrangement during the inquiry into the closure of the rolling mills and nut and bolt plant in 1943, the counsel for the company had very little to say. When an American engineer pointed out that in the United States subsidiary steel plants buy billets at cost plus freight, the counsel responded tersely: "After all we do live in different countries don't we?"<sup>88</sup>

There was another important aspect of the billet transfer from the Cape Breton steel mills to the rolling mills and forges at Scotia which was highly disturbing. On numerous occasions the billets from Cape Breton to Trenton were substandard and rejected by the Scotia mills. In August 1923, one Trenton official described the billets as being "about as rotten a bunch of steel I ever saw come from Disco and

<sup>85</sup>Sales Department to A. McColl 3 May 1923, Hawker-Siddeley Collection, DUA.

<sup>86</sup>Superintendent to unknown person, probably written in the early 1920s (the first page of the letter is missing), General Correspondence 1919-25, Hawker-Siddeley Collection, DUA.

<sup>87</sup>*Pictou Advocate*, 2 January 1903.

<sup>88</sup>Evidence. Nova Scotia. Report of the Commissioner on Trenton Steel Works, 1943, Vol. V, 316, RG 44, Box 15, PANS.

it looks to me as though there was no attention whatever paid to inspection or shipping up there." In addition some billets were too short. The deficient billets had to be sent back as scrap and Trenton had to pay for freight both ways.<sup>89</sup> The "billet question" also sheds light on war-time conditions of production. In 1923, the general manager wrote to a Scotia official in Montréal that

for your private information, we might point out that this material (the deficient billets delivered in Trenton in 1923) was supplied in October and November, 1918, at a time when every demand possible was being made on us for material for munitions, and the Locomotive Company was willing to make almost any terms possible, in order to get stock for locomotives.<sup>90</sup>

The condition shows that Scotia's production favoured (the company would say for patriotic reasons while the local community would have pointed to the high profits) munitions production at the expense of other product lines.

A final and perhaps most well-expressed judgement of the Scotia facilities was made by Judge Carroll, the Commissioner who headed the investigation of the closure of the rolling mills and nut and bolt plant in 1943:

It would seem that Dosco and its predecessors, and especially its predecessors (Scotia and Besco), are open to criticism for allowing the Trenton plant to deteriorate, not keeping it in such a condition that would enable it to give service to the public in its lines, and have a fair chance to compete with like industries elsewhere located. It would also help to save the situation had those in control of the steel industry at Trenton listened to public-minded men in this province and installed machinery to a more varied production and also to undertake the manufacture of other steel wares.<sup>91</sup>

Judge Carroll was clearly critical of Scotia's investment path. He was unable to explain, however, that the investment behaviour was rational and logical in light of the unfolding logic of dependent development and its sanction by both the provincial and federal states. For this reason, it was probably not unexpected that the Carroll royal commission provided little more than an outlet for expressing frustrations — consolation but no action.

<sup>89</sup>General Superintendent to A. McColl, 16 August 1923; see also 30 August, 15 October 1923; General Manager to Mr. S.G. Smith, 18 September 1923; General Manager to H.B. McNeil, 6 July 1923. Hawker-Siddeley Collection, DUA.

<sup>90</sup>General Manager to H.B. McNeil, Nova Scotia Steel and Coal Company, Ltd., P.O. Box 1110, Montréal, 6 July 1923, Hawker-Siddeley Collection, DUA.

<sup>91</sup>*Nova Scotia. Report of the Commissioner on Trenton Steel Works, 1943.* Judge W.F. Carroll, Commissioner (Halifax 1944), 2.

*Labour and Dependent Development*

## (i) Technological neglect, low wages, and industrial decline

THE WORK EXPERIENCE of the Scotia steel workers has been ably documented by Heron.<sup>92</sup> He sets Scotia within the context of the continental growth of mass steel production. He argues that work at Scotia in many ways paralleled patterns on the rest of the continent. Craft skills were eroded but still remained important in many phases of work: a situation particularly valid at Trenton where the mills were labour-intensive and the output varied.

The pressure of technological change in the steel industry contributed to the growth of industrial unionism throughout the continent during the war but the movement still suffered from, and eventually failed because of, divisions and employer resistance. This was also true for Scotia where an industrial union, the Federation of Labour, emerged to represent the steel and car works, smaller metal works and the coal mines in Pictou County. In the Canadian context, the unionism was particularly militant, Heron argues, because of the proximity of coal mines and the presence of large foreign corporations.

The concept of dependent development adds further perspectives on the unique features of work at the forge and mills in Trenton. Technological neglect and disarticulation added to the pressures on the steel workers at the Trenton forge, mills and car works. One consequence was relatively low wages.

The strike at the Scotia shipyards in 1919 represented what appears to have been a typical situation. It was generally known that the low wages made an inadequate plant pay dividends. The workers contended that they were receiving the lowest wages in Canada:

The scale of wages paid to riveters in Halifax is 67 1/2 cents per hour, in Montréal (Vicker's yard) 90 cents per hour, whereas here where according to government statistics living is the second highest of any province in the Dominion, riveters are paid at the magnificent scale of 40 cents per hour. Why in Halifax yards a rivet heater (usually a boy of 16 to 18) gets paid 40 cents an hour. There are many other comparisons equally ridiculous but who could not build boats profitably under such conditions as those existing here.<sup>93</sup>

Management countered by claiming that ship workers in Halifax were skilled workers who profited from abnormally high wages as a result of labour shortages following the Halifax explosion. The company gave no concessions and the men were forced back to work. It was ironic, however, that the weight that tipped the

<sup>92</sup>Heron, "Great War," and *Working in Steel*.

<sup>93</sup>*Eastern Chronicle*, 9 September 1919. Strikes at Scotia also featured the wage differential between local and central Canadian workers as a major point of dispute. See also the case of the workers at the Canada Car Foundry in Amherst in Nolan Reilly's, "The General Strike in Amherst, 1919," *Acadiensis*, 9 (Spring, 1980), 56-77.

scale in favour of work resumption was C.C. Dane, Pictou County's undisputed labour leader and self-proclaimed Bolshevik during the war, who now represented the Department of Labour as a conciliator. Dane supported management's claim of a skill differential between Halifax and Trenton and argued further that wages in Halifax were the result of a 22 year struggle; Scotia shipbuilders could not reasonably expect to receive similar wages after only a few months of being organized. One worker responded that the government inspectors had passed the ship built at Trenton without complaints, thus recognizing the skill of local workers. He also found it unreasonable that Trenton workers should wait for 22 years to reach wage parity with their Halifax counterparts. But Dane's arguments prevailed, and the men agreed to resume work after a secret ballot of 77 to 74.<sup>94</sup> Scotia also exploited the out-dated equipment at the rolling mills to demand a lower scale of wages for their workers. The workers were adamantly opposed to this policy. One worker, H.C. Fraser, stated in 1919:

... as regarding the rates of wages of the men in the different departments of the rolling mills, the company claims that because of this, they cannot compete with other places, owing to what they are lacking in equipment. This is one thing the men are very much displeased with. They don't think it is fair that they should make up for what they are lacking in modern equipment.<sup>95</sup>

The men on the rolling mills also complained about the low check rates, equal or even less than the wages of unskilled labour, and the frequency at which the workers were forced to work for check rates. At times, this was deemed acceptable when one order was finished and the production lines had to be changed to accommodate a new order. On other occasions, the workers felt they were deliberately prevented from obtaining tonnage rates. One worker, for example, pointed out that the mill men would frequently be interrupted when "fair tonnage" was made and assigned to other work.<sup>96</sup>

Another major complaint of the workers with respect to technological obsolescence concerned "the efforts of the Nova Scotia Steel and Coal Co. to reduce costs by reducing the number of men on the mills instead of putting in up-to-date machinery."<sup>97</sup> At one point, for example, No. 2 Mill was short-crewed by 7-8 men and the men struck and only went back to work under protest: "It is the consensus of opinion among the men that if the company intends to do business it had better get the plant in shape."<sup>98</sup> The *Eastern Federationist* added another perspective to the protest: "... shortstaffing is only another way of working out a wage cut."<sup>99</sup> The

<sup>94</sup>*The Eastern Federationist*, 20 September 1919, 1.

<sup>95</sup>Evidence. RCIR, 1919, 3598.

<sup>96</sup>*Free Lance*, 30 September 1915.

<sup>97</sup>*Eastern Chronicle*, 6 June 1919.

<sup>98</sup>*Eastern Federationist*, 29 March 1919, 1.

<sup>99</sup>*Eastern Federationist*, 29 March 1919, 8.

workers' complaints, however, were left unanswered and at one point the work force was reduced to such an extent that no men could find time to cease production for the two minutes ordered by the King to mark the year-old peace.<sup>100</sup> Despite the short-staffing, however, the antiquated mills did not perform as well as their more technologically-advanced competitors.

The retention of old and introduction of new technology also created stressful situations and problems for the workers. Bottlenecks were created, such as in the new continuous furnaces where the billets piled up and "as a rule" gave the workers "considerable trouble."<sup>101</sup> The new furnaces also increased the weight of the billets handled by the mills from 2,600 to 6,000 pounds.<sup>102</sup> These billets were still manipulated by hand with tongs and hooks.<sup>103</sup> One man felt that "if a man can work there he need not be scared of going down below ... my back is all burnt from the work ... sometimes there are six tons of metal behind you, and another three tons in front of you."<sup>104</sup> Two workers summed up their perception of the changes in the mills and axle department from past years in 1915. One felt that "in former years the wages ... were better and the work was not so fine or exact."<sup>105</sup> Another, with 22 years service, felt he did not make quite so much years ago but then the work was not so hard and the hours shorter.<sup>106</sup> In 1933, the boilerhouse that supplied the rolling mills with steampower was composed of "two very old boilers" which were hand-fired and needed "frequent repairs."<sup>107</sup> This condition was a long-standing complaint of the workers and already in 1915, boilermen rendered damning judgments of the boilerhouse:

1. The place is dirty, it is the dirtiest place I have worked in.
2. The conditions are the worst I ever saw. I have been five years at it and never saw conditions so bad, the wages are the lowest (this worker had worked previously at three local boilerhouses).
3. I have fired all over the world, marine and stationary too, I worked at Halifax and Cape Breton. This is the worst I have seen.<sup>108</sup>

Antiquated machinery also challenged the safety of the plant. During the early years of Scotia the technological standard of the works was adequate, accidents relatively rare, and according to one source, "compared with the record of Disco

<sup>100</sup>*Workers' Weekly*, 14 November 1919.

<sup>101</sup>*Free Lance*, 30 September 1915.

<sup>102</sup>*Free Lance*, 30 September 1915.

<sup>103</sup>*Free Lance*, 30 September 1915.

<sup>104</sup>*Free Lance*, 30 September 1915.

<sup>105</sup>*Free Lance*, 30 September 1915.

<sup>106</sup>*Free Lance*, 30 September 1915.

<sup>107</sup>SC No. 1933. Eastern Trust Company and the Nova Scotia Steel and Coal Company. Affidavit by F.H.M. Jones.

<sup>108</sup>*Free Lance*, 30 September 1915.

the accidents at Trenton are a mere bagatelle."<sup>109</sup> But with the deterioration of the plant the accident record came closer to the Nova Scotia norm. In 1917, it was reported for Nova Scotia as a whole (and Scotia was not singled out as an exception): "We are plodding along at least ten years behind the advanced methods of safety and we are having hundreds injured and losing thousands of valuable and necessary days of work each year by preventable accidents ... the province of Nova Scotia is not living up to its reputation."<sup>110</sup> Only six years later Scotia received a severe reprimand from the Nova Scotia Accident Prevention Association:

Do you think that 10 accidents from the Steel Co. in Feb. were really more than there should have been? Further, it would seem as if the Eastern Car Co. has not been making a very good showing in this respect for some months past ... there are a great many plants larger than either of the Trenton ones going for long periods without a lost time accident.<sup>111</sup>

It was not strange that the workers urged management to implement up-to-date machinery to make the products of the mills more competitive, to do away with hand labour and lower the accident rate. This would also have created, according to the workers, a general expansion for the benefit of the labour displaced by mechanization.<sup>112</sup>

Many of the structural weaknesses of the rolling mills and forge were hidden during the war when munitions production dominated Scotia's activities. After the war, they were exposed fully. The consequences for labour were dire. Scotia and Besco embarked on a process of industrial winding-down and restructuring. It is difficult to assess the role of labour in this situation. Scotia workers did not merely accept this process. They reacted and protested. Whether this served further to consolidate industrial decline, as some of the newspapers would have contended, is arguable, but it is clear that industrial winding-down was an ideal recipe for coping with "labour problems." Idleness, closures and low wages were highly successful in ridding Scotia of whatever labour problems remained after the war. The unions associated with the steel and car works vanished completely. According to one source (among many) "nearly all the men prominent in union affairs during the past few years have been blacklisted and refused employment."<sup>113</sup> The timing and duration of temporary closures were used advantageously in this respect. Prior to 1919, workers knew the duration of closures, but in 1919, "until further notice" became the norm and, on occasion, workers even felt closures were made in spite

<sup>109</sup>*Eastern Chronicle*, 15 January 1904.

<sup>110</sup>*Nova Scotia. Report of the Factories Inspector*, 30 September 1917, 27.

<sup>111</sup>M.L. Fraser, Field Officer for the Nova Scotia Accident Prevention Association, to A. McColl, 10 March 1923, Hawker-Siddeley Collection, DUA.

<sup>112</sup>Evidence. Canadian. Royal Commission on Industrial Relations, 1919, 3598-9 (micro-film), Department of Labour Library, Ottawa.

<sup>113</sup>*Workers' Weekly*, 25 February 1921.

of stock being available and orders on hand.<sup>114</sup> It was this policy of Scotia, perpetuated by Besco, which during the great Nova Scotia steel strike in 1923 resulted in submission and docility at the Trenton plants. According to one union spokesman in Sydney, the workers in Trenton were more concerned about work itself than wages.<sup>115</sup> Trenton was also plagued with persistent rumours that the steel works would be closed permanently and moved to Sydney.<sup>116</sup>

Coupled with the technological neglect and poor marketing efforts, the intermittent operations and rumours of closures pointed to a general process of winding-down and squeezing the last drops of profits from antiquated mill machinery, low-wage labour and federal contracts for railway cars and railway material. An additional factor which consolidated the process of industrial winding-down was the difficulty of capital to favour one plant with the proper technology and high wages, while neglecting others. In 1919, this problem was revealed clearly by an official of the Eastern Car Company:

In Montréal you know they have established a 5-day week? That leads back to a number of criticisms I have to make ... You must take into consideration the local conditions. We have here a large steel industry right close by, so, of course, if a certain standard was adopted by ourselves, they would immediately, of necessity, be taken up by the Steel Company, and that raises the question: Can we afford it? It is going to raise our cost to such an extent that it will be unprofitable. I think, under present-day conditions a question of this kind must be determined locally.<sup>117</sup>

Relatively high wages on both the national and local level, then, seemed to exert a demonstration effect on lower-paid workers. If the car workers received a raise in pay, a similar raise had to be given to the steel workers. In order to meet these high wages, Scotia most certainly would have had to improve the technological status of not only one, but several, if not all, sectors of the Trenton facilities. Scotia, then, chose to put increased pressure on its labour force to meet this competition rather than make labour more productive by introducing new technology.<sup>118</sup>

<sup>114</sup> *Eastern Federationist*, 25 October and 28 June 1919.

<sup>115</sup> See the reports on the Sydney strike of 1923 in the *Workers' Weekly*.

<sup>116</sup> See, for example, *Pictou Advocate*, 27 February 1925, 5.

<sup>117</sup> Evidence, RCIR, 1919, 3640-1. Despite the low wages paid, the officials of Scotia/Besco were prepared to go even lower. One official conveys the general picture in the following interchange: "I wanted to point out that there was a point beyond you would not go even in a competitive market. You would not expect work, if the Japanese were competitors, to bring your conditions down to the Japanese point? I am considering our own position. If I go to London and sell cars, I must meet the prices offered by the Japanese, Chinese, or any other race." Evidence, RCIR, 1919, 3647.

<sup>118</sup> At the Stelco works in Hamilton, conditions were exactly the opposite. Technological improvements were continuous and as a result management granted the wage demands of the workers although it refused to recognize the workers' union. According to Kilbourn, wages at Stelco were higher than in any other steel company in Canada. William Kilbourn, *The Elements Combined: A History of the Steel Company of Canada* (Toronto 1960), 121-2.

The federal Department of Labour was an important ingredient in sanctioning the emergence of the Pictou County industrial region as a low-wage region. Workers at the steel and car works repeatedly applied to the Labour Department for conciliation boards. During the war, such boards provided the vehicles for some respectable gains, but immediately after the war, were incapable of offering any reprieve. The position of one conciliation board in 1920 is typical. The commissioners reported that the workers were relatively low-paid while at the same time Scotia was in a very poor position to pay higher wages: "None of the members has been without experience on questions of wage disputes, but individually we frankly admit that never before have we had so difficult a question to deal with."<sup>119</sup> The commissioners clearly were not intent on ordering Scotia to upgrade and introduce new technology to the plant.

The reduction, with federal sanction, of Pictou County to a low-wage region was confirmed by the Labour Department's failure to enforce fair wage clauses in the building of government railway cars. In response to union inquiries, the Minister of Labour responded that the Canadian National Railways is "operated under its corporate entity. The Government has nothing to do with the contracts for cars, the Board of Directors being responsible for all matters in connection with operation of the road."<sup>120</sup> The workers' reaction was telling: "... did the government take over the Canadian Northern Railway or did the corporation take over the government railway?"<sup>121</sup> In the interwar period, the status of Pictou County as a low-wage area was consolidated and little questioned. During this period, the workers at Scotia were referred to as the coolies of Nova Scotia and by World War II, the low-wage concept had become institutionalized.<sup>122</sup>

<sup>119</sup>*Labour Gazette*, July 1920, 832. For a general assessment of the negative impact of the Industrial Disputes Investigation Act for Maritime workers, see Ian McKay, "Strikes in the Maritimes, 1901-1914," 40ff.

<sup>120</sup>*Eastern Federationist*, 8 March 1919, 8.

<sup>121</sup>*Eastern Federationist*, 8 March 1919, 8.

<sup>122</sup>MacEachern suggests the state pursued a policy of maintaining the region as a low-wage area. When MacEachern was at the Pictou Shipyards during World War II, a government official evaluated the plant and awarded the workers increased wages, but the wages were still five per cent less than those paid to shipyard workers in other regions. MacEachern recounts a later meeting with the labour official: "I asked him what in the hell he was thinking about to give us 5 cents less than people that couldn't compare at all with our production in Pictou. I remember what he told me, that our production was good but Pictou was a low wage area and wasn't permitted to disturb that. That's what he said." David Frank and Don MacGillivray, eds., *George MacEachern: An Autobiography* (Sydney, Nova Scotia 1987), 122. Federal policy also served to institutionalize the status of industrial underdevelopment in the Maritimes. See Ernst Forbes, "Consolidating Disparity: The Maritimes and the Industrialization of Canada during the Second World War," in Phil Buckner and David Frank, eds., *Atlantic Canada After Confederation* (Fredericton 1988), 383-407. See also the role of the Federal Government in distributing relief during the 1930s. Ernst Forbes, "Cutting the Pie into Smaller Pieces: Matching Grants and Relief in the Maritime Provinces during the 1930s," *Acadiensis* (Autumn 1987), 34-5.



## (ii) Scotia labour and small commodity and subsistence production

THE COMBINATION OF WAGE and small commodity/subsistence activities of Scotia and Pictou County workers in general has been noted by many observers. Steel workers left their employment at the time of hay-making.<sup>123</sup> Local newspapers recorded when workers at Scotia and Eastern Car left for or came from "home", meaning a farm or residence in the nearby rural districts. Scotia workers engaged in lumbering during the winter, sometimes for the company but also on their own. Town residents in the steel and coal towns often possessed livestock and vegetable gardens.<sup>124</sup> Farmers led a double life, working in town and maintaining a farm as well. In the early days, they walked or drove by horse and wagon to and from their work; later they took the locals or commuter trains which ran in all directions, and at all times to accommodate the changing shifts of the mines and plants.<sup>125</sup>

The pattern of seasonal wage employment seemed to have been a common characteristic of the work performed by Pictonians. Several interpretations can be applied to such a work pattern. Some argue that it entailed a cultural choice by Nova Scotia workers.<sup>126</sup> Others view it as a way in which capitalists took advantage of semi-proletarian workers.<sup>127</sup> These interpretations are too simplistic and fail to recognize the variable role of subsistence/small commodity production in the lives and work of wage workers and in the industrial strategies developed by capitalists. During the period of rapid growth, from the 1880s to World War I, this pattern of seasonal and part-time employment seems to have been a nuisance to employers. After the war, however, the situation was to some extent reversed. This difference was rooted in the change in the labour market from scarcity to abundance and deserves further comment.

Heron has noted the mobility and fluidity in the labour force of the steel industry in early 20th-century Canada (the labour force at the Trenton steel and car works was no exception).<sup>128</sup> During the boom of economic activity in Atlantic

<sup>123</sup> *Eastern Chronicle*, 13 August 1903.

<sup>124</sup> Of the five hundred workers employed at Scotia between 1897 and 1911, for example, at least 40 per cent lived in their own homes. Of these some lived in the nearby rural districts, commuting by horse and wagon or by boat from Abercrombie. Cameron, *Industrial History*, III-9.

<sup>125</sup> R.M. Guy, "Industrial Development and Urbanization of Pictou County." MA thesis, Acadia University, 1961, 160-1.

<sup>126</sup> Larry McCann, "'Living a Double Life': Town and Country in the Industrialization of the Maritimes," in D. Day, ed., *Geographical Perspectives on the Maritime Provinces* (Halifax 1988), 93-113.

<sup>127</sup> J. Sacouman, "Semi-Proletarianization and Rural Underdevelopment in the Maritimes," *Canadian Review of Sociology and Anthropology* 17:3 (1980), 232-45. See also P.J. DeVries and G. MacNab-deVries, *They Farmed Among Other Things...: Three Cape Breton Case Studies* (Sydney, Nova Scotia 1983).

<sup>128</sup> Heron, *Working in Steel*.

Canada in the early 1900s, this labour mobility resulted in a persistent labour scarcity.<sup>129</sup> Both skilled and unskilled labour was in short supply. Perhaps the most telling example of a labour shortage of skilled workers at Scotia occurred in 1915 during the hearings of a Royal Commission investigating a strike. At these hearings, one worker noted that the plant had been shut temporarily "on account of certain men not being there."<sup>130</sup> In addition, during the hearings, No. 1 Mill had to shut down because three skilled workers were appearing at the proceedings.<sup>131</sup> This obvious shortage of skilled labour, and its negative impact on the industry, was not only a function of the war. Already before the war, an attempt to run three eight-hour shifts on No. 2 Mill had to be abandoned because there were not enough rollers for each shift.<sup>132</sup> The forge also suffered from labour scarcities. This was especially true when warm weather set in; workers simply left and the company noted that it is "hard to get men who can stand this kind of work."<sup>133</sup> Once again, the postwar depression and unemployment did not relieve the situation. In autumn 1923, the axle forge was worked by eight turners of whom six were "old men" and "two men learning," and eight cutters of whom seven were "old men" and "one new man learning." The new men, the works superintendent noted, were "of course, not getting out the full quota" and the forge was running the "full week" to clean up old schedules.<sup>134</sup> Perhaps as a result of the scarcity of skilled workers, Scotia was not in a position to fire those who did not show up regularly for work. Men who did not feel like going to work on a shift could send word to the company without facing reprisals.<sup>135</sup> This may have been part of the reason behind the lament of one steel company official that "we have around here [Pictou County] the most independent body of workmen on this continent."<sup>136</sup>

<sup>129</sup>Patricia Thornton, "The Problem of Out-Migration from Atlantic Canada: A New Look," in Buckner and Frank, eds., *Atlantic Canada*, 34-65. See also Ian McKay, "Strikes in the Maritimes, 1901-1914," *Acadiensis*, 13 (Autumn 1983), 9-10. Labour mobility and resultant local labour scarcities are also suggested for the latter half of the 19th century in Rusty Bittermann, "The Hierarchy of the Soil: Land and Labour in a Nineteenth Century Cape Breton Community," *Acadiensis*, 18 (Autumn 1988), 52.

<sup>130</sup>*Free Lance*, 23 September 1915, 9.

<sup>131</sup>*Free Lance*, 23 September 1915, 5.

<sup>132</sup>*Free Lance*, 23 September 1915, 5.

<sup>133</sup>General Employment Agent to A. McColl, General Manager, 19 April 1923. Hawker-Siddeley Collection, DUA.

<sup>134</sup>Works Superintendent to J.H. Smith, General Superintendent, 13 September 1923. Hawker-Siddeley Collection, DUA.

<sup>135</sup>Evidence. RCIR, 1919, 3695.

<sup>136</sup>Evidence. RCIR, 1919, 3587. Other reasons may have included the coexistence of militant coal miners in close proximity and the ethnic homogeneity of the workers. The latter sometimes took a negative turn when the local labour opposed the presence of "foreign labour" at the steel and car plants. For two incidents, see *Pictou Advocate*, 12 December 1917, 1, and *Eastern Federationist*, 12 July 1919, 1. An additional factor, covered in more detail below, was the accessibility of small commodity and subsistence activities by the steel workers.

Scotia also had difficulties filling the positions of unskilled workers who seldom stayed permanently as a reserve army of labour. Cantley referred to this problem as follows:

There is a lot of floating labour in and out, they come in here and work long enough to get enough money to take them to Halifax or some other place, they come in and we put them to work at 16 1/2 cents (per hour), four days later they are likely in the office wanting their time. As Mr. McColl says, we pay from 10-20 men off every day, and take on as many fresh men.<sup>137</sup>

These latter "fresh men", however, were not always available. This is indicated clearly in the monthly reports of the *Labour Gazette* which frequently noted that "the supply of unskilled labour [is] not equal to the demand." After the armistice, when the unemployment situation was very grave, Scotia still had difficulties in securing "emergency crews." One steel official, for example, testified in 1919: "If you want a man to do a day or two's work, you cannot get one."<sup>138</sup> Industry observers in Sydney, Cape Breton, may well have been correct in asserting that "it will always be a matter of difficulty to get emergency crews, whereas in a large centre such crews are always handled without difficulty."<sup>139</sup>

The labour scarcity was no doubt aggravated by the low wages and technological obsolescence of Scotia. A wage dispute and failed unionization attempt already in 1897 forced many workers "to go West on account of the misunderstanding about wages at the Steel Works."<sup>140</sup> Scotia workers left on many other occasions, in strike situations and more peaceful times, and in 1943, one official claimed that "during the last twenty or thirty years [1913-1943] the best men in all departments have left us and there is very little material now that could be entrusted to higher positions."<sup>141</sup> During the period of labour scarcity and outmigration, the possibility of workers resorting to subsistence and small commodity production was a clear nuisance to the employers. In the broader Maritime economy, employers complained about how agricultural, fishing and lumbering activities affected the labour supply at the mines and mills.<sup>142</sup> Scotia workers switched jobs within the company continuously and often chose to leave temporarily or seasonally for their farms and fishing boats without reprisals from the company.

In time, however, Scotia turned the hiring of small commodity and subsistence workers into an advantage. This pattern first became visible during World War I.

<sup>137</sup> *Free Lance*, 23 September 1915, 6.

<sup>138</sup> Evidence. RCIR, 1919, 3589.

<sup>139</sup> *Canada. Royal Commission on Industrial Training, 1913*. Vol. IV, 1703.

<sup>140</sup> *Pictou Advocate*, 20 August 1897, 7. See also *Eastern Chronicle*, 29 July 1897, 1.

<sup>141</sup> General Superintendent to O.P. Stensrud, Pres., dated 29 April 1943. Hawker-Siddeley Collection. DUA [hereafter Superintendent to Stensrud, 1943].

<sup>142</sup> For concrete examples, see *Canadian Mining Review*, 27 (July 1906), 31 and *Maritime Mining Record*, 6 (26 August 1903), 15.

Small and subsistence producers were at this time used to force the implementation of a piece-work system.<sup>143</sup> Farmers and fishermen entered the factories or mines for a short period or seasonally to earn as high wages as possible. Thereafter, they left for their farms and fishing boats. This enabled the employer to set increasingly higher standards of work. One of the workers at the car company described the operations of the piece work system and the employment of seasonal labour as follows:

I will give you an illustration of piece work, the way we figure it out and the way most of the men figure it out in working all year around. Take the car company: They set a piece work rate and they run an order through, and men who are used to running on a basis of piece work all year around they start in after the price is set, and perhaps they will make considerable money; then another young man comes in who has never had any of that kind of work and he is put on the piece work job and knows that he is not going to be there probably for over two to three months, so he works very hard and spoils the job for the other men, and the other men have to suffer for it all the year around. How do you mean 'spoils the job'? Because he works too hard, and gets a large pay day, and the next day the price is cut. Does that always follow? Yes, nearly always.<sup>144</sup>

Young men were not the only 'culprits'. Workers often complained of the country people employed on a seasonal or temporary basis. The employment of fishermen and farmers had the effect, then, of dividing the workers. These divisions, according to a union spokesman, were inevitable as once "a man gets a notion into his head that he wants more money he goes after it."<sup>145</sup> In the end this leads to trouble: "Piece work is driving every drop of blood out of a man and there is nothing to it after a while."<sup>146</sup> In the post-World War I period, Scotia and Eastern Car used small producers profitably in its intermittent work schedules. The 1,200 men needed to maintain the Eastern Car's maximum production rate of 16 box cars per day, lived a "feast and famine" existence, predicated upon railway orders. About half the employees lived in Trenton and New Glasgow, a few in the other Pictou towns, and about 500 anywhere from 2-20 miles distant from the plant, in farm and coastal districts. When the plant worked the men drove to and from there daily;

<sup>143</sup>Union representatives for the car works were highly critical of the piece work system: "The present system of piece work has grown up because the companies have chosen it as a method of forcing increased production and the men have accepted it as an opportunity to earn higher wages even if they had to labour in a slavish manner. The companies have been able to determine the absolute limit of a man's productive power and continually cut the rates and the men have been forced to work harder to earn the same money." The same spokesman advocated hourly wages to replace the piece-work system. Evidence. RCIR, 1919, 3534-5.

<sup>144</sup>Evidence. RCIR, 1919, 3651.

<sup>145</sup>Evidence. RCIR, 1919, 3649.

<sup>146</sup>Evidence. RCIR, 1919, 3653.

when the plant was not working they tended their small farms. The coastal dwellers in season fished lobsters.<sup>147</sup>

The employment of small producers was not merely coincidental but a conscious strategy. The general superintendent and chief engineer of Eastern Car wrote in 1943:

... it has been the practice always to try and draw labour from the farming and fishing communities where the men could make some kind of a living apart from the car business and whenever possible our construction schedule was arranged in such a way that it fell in the winter time rather than the summer time when the men were occupied in farming and fishing.<sup>148</sup>

The reason given was that car building operations "are erratic and cause many shutdowns" and by employing men occupied in farming and fishing the employees of the car works "would not be a charge to the community" when laid off temporarily.<sup>149</sup> But there were other than benevolent reasons to employ farmers and fishermen. The employment of small producers also allowed for the payment of relatively low wages. In the car works, the company had "an advantage on account of paying less money both in check rates and piece work prices, and this, more or less, offset the disadvantages."<sup>150</sup>

Another advantage of relying on farm labour was the practice of fostering dependence between employer and workers. Scotia employment records give detailed descriptions of workers and their material position and property holdings. Scotia was not only an employer, but also a landlord and banker. Many workers approached Scotia for financial loans and advances against wages, and farmers and fishermen, in such cases could use their farms as collateral. Workers without property or with a record of "militancy" invariably were turned down when they asked the company for a loan or advance.<sup>151</sup>

A final important advantage in employing workers with ties to the land was that they would not emigrate in case of temporary shutdowns. This is expressed clearly in a promotional booklet issued by the New Glasgow Board of Trade:

... the employment record in this area fluctuates considerably from time to time. It is a characteristic, however, that the skilled labour that has been trained locally tends to remain in the area, and is available for local industrial expansion, despite conditions of declining opportunity. This is largely accounted for by the fact that many in the labour force own property and in slack times are able to employ themselves usefully upon the land. Seasonal labour is available due to the nature of the fishing and lumbering industries.<sup>152</sup>

<sup>147</sup>J. Cameron, *Wreck of the Melmerby* (New Glasgow 1963), 24-5.

<sup>148</sup>Superintendent to Stensrud, 1943.

<sup>149</sup>Superintendent to Stensrud, 1943.

<sup>150</sup>Superintendent to Stensrud, 1943.

<sup>151</sup>See the correspondence between Sylvester and McColl. General Correspondence, 1919-25. Hawker-Siddeley Collection, DUA.

<sup>152</sup>*Industrial Opportunity* (New Glasgow 1948).

At least some evidence, then, suggests that the employment of small producers made possible the continued, intermittent operation of technologically-obsoluscent plant facilities. Labour stayed put and was paid lower wages than in comparable industries elsewhere.

Yet this equation should not merely be seen as the superexploitation of semi-proletarianized labour. Labour and community forces were also able to use the access to small commodity and subsistence activities to remain in the area and exert a political voice in favour of maintaining an industry which Scotia might rather have wished to close altogether. Direct political party involvement by labour in these efforts was not, however, present in Pictou County. In the provincial election of 1920, one of two Labour candidates, H.D. Fraser, a Scotia machinist, came within 44 votes of defeating one of the three elected Liberals. In 1925, three Labour candidates fared much worse and it was not until 1945 that a CCF candidate would run in a provincial election. In federal elections, labour candidates made an even less-impressive showing.<sup>153</sup> Labour's voice was nevertheless an important consideration in federal, provincial, municipal and "corporate" politics. In 1933, for example, Scotia's receivers, the Eastern Trust Company, contemplated closing the rolling mills and nut and bolt plant. It was recognized, however, that the industry is of the "greatest importance to Trenton and Pictou County generally ... and the continuance of the industry should be effected if possible."<sup>154</sup>

The maintenance and retention of the rolling mills and nut and bolt plant, however, was not guided by altruism. Political good will secured company orders, electoral votes and political considerations during the economic downturn. The receivers who ran Scotia were also operating on business principles, and in receivership Scotia no longer had to meet interest charges of \$700,000 per year as well as the payment of \$300,000 in "royalties, compensation fees and matters of that kind" to the provincial government. The receivers also obtained compensation when Scotia became part of Dosco in 1938.<sup>155</sup>

Many workers who did not protest with their feet (and moved away) raised strong protests against closing the mills. In these instances, small commodity and subsistence activities became class weapons in the struggle to retain a local industry. The *Eastern Federationist* argued that getting back to the land was a means by which labour could control the capitalists. Workers could tide over the idle spells caused by the employers by getting possession of a few acres of land, cultivating and raising some animals.<sup>156</sup> MacEachern provides some tentative

<sup>153</sup>James Cameron, *Political Pictonians* (New Glasgow 1967), 155-161.

<sup>154</sup>SC No. 1933. *Eastern Trust Company and the Nova Scotia Steel and Coal Company. Affidavit by F.H.M. Jones.*

<sup>155</sup>In the Supreme Court en Banco. *Eastern Trust Company and Nova Scotia Steel and Coal Company.* 15 July 1938. *Minutes of Evidence*, 16, 25.

<sup>156</sup>*The Eastern Federationist*, 5 April 1919, 8. A dramatic expression of a similar act was the opening of "bootleg" mines by Cape Breton coal miners during the Besco strikes of the 1920s. David Frank, "Contested Terrain: Workers' Control in the Cape Breton Coal Mines

comments on how such a way of life became acceptable to Pictou County workers and a logical way of coping with capital's unwillingness to expand and invest in new machinery and technology.

They didn't do as much worrying up there (Pictou County) at that time anyway as they would do work. I used to marvel at the things these people would have in stock. They couldn't get them during the lobster season, when the lobster season was opened, they got lobster that they canned. They didn't can them in cans, but in these mason jars. Then they'd have deer meat and they'd have trout and they'd have berries and all sorts of things. It would be pretty hard to starve some of those people because they carried a lot of the customs of the old days. I remember getting mad at them one time, telling them if it wasn't for the blueberries and the smelts, they'd all starve to death long ago. It was such a miserable situation. Here are people that were very capable. During the First World War they made rifle sights and different munitions. During the Second World War they made very very sophisticated things. They just expected at the end of the boom — down she'd go. You couldn't get them worked up about it because this had been the history. People get used to a lifestyle like that and I'm not altogether sure that in many cases they'd want to change it. I do know that in the scramble to get ahead that comes when you get too many bucks in your pocket to start with, you lose a lot of the value of life, that friends don't seem as important as they once did, and you lose the value of somebody helping you because sometimes it has more worth than helping somebody else. All these things, they go sometimes with prosperity.<sup>157</sup>

The timing of the final closure of the rolling mills and nut and bolt plant is instructive with respect to their "political" importance to Dosco and its predecessors. When Dosco took over Scotia in 1938, it was felt that they were "prepared to accept the bitter with the sweet." It was also thought that Dosco was under too many obligations to the Federal Government to be able to "create unemployment" by closing the Trenton steel works and some of the less-profitable Pictou County coal mines.<sup>158</sup> Only amid war-time prosperity and a serious labour shortage did Dosco announce the closure. MacEachern provides some insightful comments on the closure: "Here the company was going to get away with closing a mill simply and purely because there was enough employment at the time to go around. They knew g.d. well that if they waited till after the war they'd have a tough job closing the mill."<sup>159</sup>

In spite of the technological neglect, intermittent and seasonal work and corporate resistance of the 1920s, the 1930s gave way to the formation, now with legal sanction, of a union at the steel and car works in 1937.<sup>160</sup> This was by no

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in the 1920s," in Craig Heron and Robert Story, eds., *On the Job: Confronting the Labour Process in Canada* (Kingston 1986), 102-269.

<sup>157</sup> Frank and MacGillivray, eds., *George MacEachern*, 129.

<sup>158</sup> *Eastern Chronicle*, 11 January 1938, 1.

<sup>159</sup> Frank and MacGillivray, eds., *George MacEachern*, 129.

<sup>160</sup> Cameron, *A Century of Industry*, 33. "Nova Scotia workers achieved the enactment of some of the first legislation providing Canadian workers with the right to collective bargaining and other forms of union security." Frank, "Cape Breton Coal," 7-8.

means only a result of the efforts of the United Mine Workers and John L. Lewis' Committee for Industrial Organization. Scotia workers themselves resorted to organizing and unionism in the early 1930s. Such unionism was in part a militant desperation measure and in part a function of the struggle for relief. Scotia workers, like other workers on the continent, were open to Communist organizers, and George MacEachern refers to a friend and Communist, Alex Neal from New Glasgow, who started the union in Trenton and "had a pretty good success with it."<sup>161</sup> As elsewhere, however, industry resistance, wage concessions and state relief provided a massive challenge to such unionization attempts.<sup>162</sup> In Pictou County, a Workers' Association was formed whose primary objective was to secure the fullest possible benefits from the Direct Relief Act.<sup>163</sup> The Association was non-political and non-sectarian and open to "all workers", and its purpose was to cooperate rather than "antagonize the powers that be." In 1933, the Association was successful in obtaining seed and fertilizer for their gardens as well as garden plots for those workers without land.<sup>164</sup>

Technological weaknesses, however, meant that Scotia's steel plant (then part of Dosco) was in a precarious and unstable state. A low-wage and malleable labour force was the *sine qua non* for "successful" operation; the potential pressure by the union for higher wages and shorter working hours challenged this equation. But this was not the case with the formation of the union in 1937. The union did not prevent Dosco from taking over Scotia in 1938. Clearly, what McKay has termed industrial legality, the formalization and administration of work place rules by a union bureaucracy under the sanctity of long-term contractual arrangements, did not constitute a threat to capital at the time.<sup>165</sup>

<sup>161</sup> Frank and MacGillivray, eds., *George MacEachern*, 77.

<sup>162</sup> The continental picture is provided by, among others, Irving Bernstein, *The Lean Years: A History of the American Worker, 1920-1933* (Boston 1960), 426-7. See also Bernstein's *A Caring Society: A History of the American Worker, 1933-1941* (Boston 1985), 17-42.

<sup>163</sup> Relief did not merely drop from the sky. See Ernst Forbes, "Cutting the Pie into Smaller Pieces: Matching Grants and Relief in the Maritime Provinces during the 1930s." The municipality of Pictou County, for example, refused to render direct relief to the unemployed steel workers and coal miners who lived within its jurisdiction. The refusal (based on a slim majority) was based "on the ground that 90 per cent of the County taxpayers were farmers who could not afford an additional tax burden from relief costs and also because values should be demanded from every man seeking relief if he is physically able to give value in labour." Cameron claims the affected workers and miners were faced with starvation, "a fate averted by the Provincial Government assuming the Municipality's one third share of cost as well as its own." James Cameron, *One Hundred Years of the Municipality of Pictou County*, 28. The steel workers and coal miners in the incorporated towns received relief but the amount was dependent on their political strength. Ernst Forbes, "Cutting the Pie into Smaller Pieces."

<sup>164</sup> *Pictou Advocate*, 4 May 1933, 2.

<sup>165</sup> In many respects the conditions for workers' action deteriorated, such as in taking direct action on the shop floor. For a detailed discussion, see Ian McKay, "Workers' Control in Springhill, 1882-1927," (Dalhousie University, June 1981), 54-5.



Conditions changed, however, amid the war-time labour scarcity. Union rules with respect to hiring threatened to cut into profits from Dosco's operations in Trenton. Prior to unionization, Scotia could and did employ the men and women whom they saw most fit for a position. During World War I, for example, those workers who were familiar with the antiquated rolling mills and who were paid relatively low wages were retained in those positions while new men were attracted, by high wages, to operate the new machinery used for producing munitions. Scotia's old-time workers quite understandably were very concerned about this hiring procedure. During the war, however, employees from the antiquated departments enjoyed priority in staffing the jobs created by munitions production. The result was a serious labour shortage in the old rolling mills and nut and bolt department. There could be only one result. What had been impossible politically was now possible. When the workers, after applying union pressure, were awarded a major wage increase in 1943 (by a war-time federal labour board), the rolling mills and nut and bolt plant were closed permanently.

The closures clearly resulted from corporate neglect of the means of production. The labour problems merely triggered this latent weakness. One would think, in this situation, that the responsibility and future rehabilitation of the steel complex should have rested with the corporate interests. But this was far from true. In fact, since World War II, industrial recovery and growth have been induced to a large extent by labour concessions and government aid.<sup>166</sup>

The perhaps most important statement for setting the stage of industrial growth in Pictou County and Nova Scotia in the post-World War II period, was a provincial Royal Commission on development and rehabilitation conducted in 1944.<sup>167</sup> In the section covering the steel industry, the most telling information is rendered. Rather than blaming Dosco for the industrial depression, the labour situation was singled out as the most important for industrial recovery:

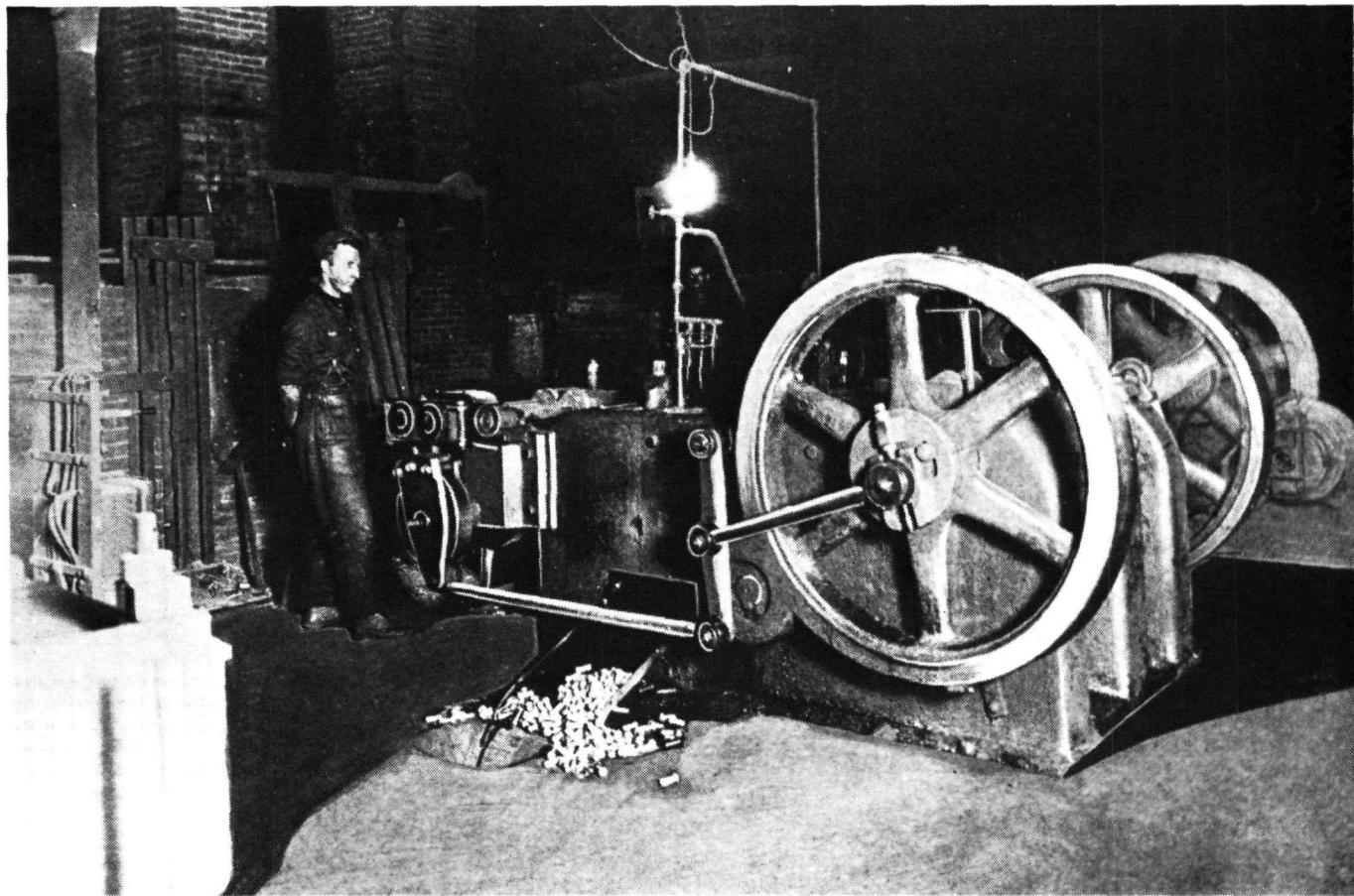
Nova Scotia suffers from a presently adverse situation in the matter of labour relations. Until this is improved it will be difficult to induce private investors to finance the large plants required for expansion of iron and steel production. Permanent improvements in pay rolls and in wage rates result from prosperous business which can only be attained by a high degree of cooperation between employers and employees.<sup>168</sup>

The labour problem was not only seen as a potential hindrance to industrial recovery, but also as a major cause of previous industrial decline. In the report of the royal commission, the problems of distance to markets and technical difficulties were described as retarding forces in the past. Another prominent feature identified was the "lack of a sustained, dependable and satisfactory performance from labour,

<sup>166</sup>Cameron, *A Century of Industry*, 27ff.

<sup>167</sup>*Nova Scotia. Report of the Royal Commission on Provincial Development and Rehabilitation*, 2 vols. (Halifax 1944).

<sup>168</sup>*Nova Scotia. Report on Development*, II, 42-3.



Bolt Machine of the Bolt and Nut Department of the Nova Scotia Steel and Coal Company Limited, 1916. (Picture courtesy of *Nova Scotia Museum of Industry and Transportation, Stellarton.*)

especially in the coal mining phase of the industry."<sup>169</sup> It was also stated with respect to the Sydney steel plant (which would presumably have applied to Trenton as well) that "the attitude of labour has always been a serious detriment to efficient and low cost operations at the plant and at the mines which supply the raw material."<sup>170</sup>

### *Conclusion*

THE HISTORY OF THE NOVA SCOTIA STEEL AND COAL COMPANY has to be seen in the context of the dependent development of Nova Scotia and the Atlantic region as a whole. Early development of the province was clearly determined by external forces which promoted staple production, disarticulation and enclave economies. The history of Scotia was a reflection of such development. Yet the colonial past did not predetermine the fate of Scotia. Both external and internal forces shaped Scotia as a dependent enterprise, and the external domination reappeared as an internal phenomenon through the social practices of the local state and social classes. Scotia's management and the state (provincial and federal) shared the interests and values of external domination. Other groups and forces opposed this domination, and in the concrete development of these contradictions the specific dynamic of the society was generated. Scotia was clearly neglected during an extended period before and after the Besco merger. The local owners and managers of Scotia sought profits by aligning themselves with foreign capital and by manufacturing semi-manufactured steel and staples for export. The investment outlook was clearly short-term. Few attempts were made to diversify production and the steel facilities already had been left to deteriorate before the contraction of regional and national markets in the 1920s.

The labour and community interests of Pictou County had to choose their options and act within the confines of such dependent development. Before the post-World War I depression, workers at Scotia responded to corporate industrial strategy in the same manner as elsewhere: industrial unionism dominated and encompassed steel workers, coal miners and various workers in surrounding metals industries. The militancy of the coal miners spilled over into steeltown, and workers in general benefited from the scarcity of labour and the possibility of moving away or moving into small commodity or subsistence production locally.

With the post-World War I depression, the tables were turned on labour. Both capital and the state consolidated the Trenton steel works as a technologically obsolescent plant dependent on low-wage, seasonal and part-time labour. During the interwar period, the maintenance of the Trenton steel works was a function of two interrelated factors. The corporate parents, in light of state concessions and favours, for political reasons could not close the Trenton Works. There were limits to state support, and the closure of the Trenton mills during the depressed 1920s

<sup>169</sup>*Nova Scotia. Report on Development*, 12.

<sup>170</sup>*Nova Scotia. Report on Development*, 14.

and 1930s, with the retention of the most profitable coal and iron mines, would have dented not only the credibility of Scotia but also of the state. At the same time, labour and community interests lobbied hard for industry retention and settled into a work pattern which was aimed at coping with industrial neglect and disinvestment. The combination of low-wage and seasonal labour also suited Scotia's winding-down process. The whole equation was threatened with the formation of a union at the steel works in 1937 and the support of the federal state during the war in levelling wages of Scotia workers with steel workers elsewhere. War-time labour scarcity provided the political precondition for closure of the rolling mills and nut and bolt plant; the wage increases awarded by the Federal Labour Board served as an excuse while the cause, a conscious corporate strategy of industrial neglect and winding down, was left unchallenged.

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