

Iron and Steel Unionism in Canada and Australia, 1900-1914: The Impact of the State, Ethnicity, Management, and Locality

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TRADE UNION MEMBERSHIP grew in both Canada and Australia in the period from 1900 to 1914, but this growth was more spectacular in Australia. In 1911 union density reached 27 per cent in Australia compared to nearly 10 per cent in Canada. While it is recognized that the state, through the introduction of compulsory arbitration, may have played an important role in the growth of unionism in Australia, qualitative and quantitative studies have highlighted a range of factors that may explain that growth. Scholars have been primarily concerned with the industry and national level of industrial relations rather than the workplace in examining this period of union growth in Australia.¹

Labour historians have also shown little interest in undertaking comparative analysis to explain the relatively spectacular growth of Australian unions between 1900 and 1914. It is difficult to make comparisons without reference to the political

¹G.S. Bain and F. Elsheikh, *Union Growth and the Business Cycle* (Oxford 1976), 94-100; M. Bray and J. Rouillard, "Union Structure and Strategy in Australia and Canada," *Labour/Le Travail*, 38 (Fall 1996), 198-238; R. Cooper, *Making the NSW Union Movement? A Study of the Organising and Recruitment Activities of the NSW Labor Council 1900-10* (Sydney 1996); R. Markey, "Trade Unions, the Labor Party and the Introduction of Arbitration in New South Wales and the Commonwealth," in S. Macintyre and R. Mitchell, eds., *Foundations of Arbitration: The Origins and Effects of State Compulsory Arbitration* (Melbourne 1989), 156-177; G. Patmore, *Australian Labour History* (Melbourne 1991), 120-121, 122-126; P. Sheldon, "Missing Nexus? Union Recovery, Growth and Behaviour During the First Decades of Arbitration: Towards a Reevaluation," *Australian Historical Studies*, 26 (1995), 415-437.

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and cultural context of the countries being studied. Concepts such as trade unionism and arbitration may have a different significance across societies. Strike statistics may vary between countries because of different legal and bureaucratic definitions. In some countries workers may pursue other forms of organized conflict such as demonstrations and “riots” to achieve the same objectives as a strike. Time and financial constraints are also associated with undertaking detailed empirical research in another country or countries.²

Comparative labour history has several benefits. As Peter Burke argues, comparisons are “useful primarily because they enable us to see what is not there.”³ To understand why particular ideas or methods of action were not adopted by workers and trade unions, it is necessary to look at countries where they were adopted. By isolating the factors that encouraged or inhibited certain actions by workers in different countries in each historical setting, it is possible to develop a more sophisticated conceptual framework. Comparative labour history stimulates hypotheses and allows us to test ideas developed in the peculiar circumstances of one country. It allows labour historians to develop typologies on how different countries deal with the same problem.⁴

A major issue in a comparative method is the level of analysis. Do you focus on the national level — macro-comparative labour history? Alternatively, do you focus on the industry, workplace, region, or community — micro-comparative labour history? The macro-approach results can be misleading because one or more industries dominate the economy. Commentators can misinterpret the workplace effect as the national effect. Comparative labour historians may overcome this problem by examining both workplace and national factors. Comparative studies of the same workplaces across several countries are helpful because they allow the researcher to assume that the technical and market factors are relatively constant and focus on broader political and social influences. Micro-comparative labour history requires not only a competent knowledge of the general national context but also a detailed knowledge of particular case studies.⁵

Through a micro-comparative analysis of two iron and steel plants in Canada and Australia, this paper hopes to broaden the debate about union growth in this particular period as well as in general. One plant was located at Lithgow, NSW, the other at Sydney, Nova Scotia. Governments in both countries saw iron and steel as crucial to national development and provided assistance through tariffs and bonuses. Canada and Australia also showed an interest in new forms of industrial regulation. While the Sydney plant was a greenfield site and the Lithgow plant had

²G.S. Kealey and G. Patmore, “Comparative Labour History: Canada and Australia,” *Labour/Le Travail*, 38 (Fall 1996), 1-15.

³P. Burke, *Sociology and History* (London 1980), 33.

⁴S. Berger and G. Patmore, “Comparative Labour History in Britain and Australia,” *Labour History*, 88 (2005), 9-24; Kealey and Patmore, “Comparative Labour History,” 2-3.

⁵Kealey and Patmore, “Comparative Labour History,” 4.

operated since 1876, both underwent major capital investment during this period. Workers at both plants unionized in September–October 1902, but iron and steel unionism at the Sydney plant collapsed following a major strike in 1904. It did not revive significantly at the Sydney plant until during World War I. With the exception of a brief period, iron and steel unionism continued at the Lithgow plant for the period under examination.⁶

This paper attempts to explain why iron and steel unionism persisted at Lithgow rather than Sydney. It initially evaluates the literature concerning trade union membership data and trade union growth theory. Problems with data on union membership lead to a qualitative rather than quantitative approach. The union growth literature suggests a range of variables that may explain the experience at Lithgow and Sydney. This paper focuses on four factors: the state, the ethnic diversity of the workforce, management, and community or locality. The paper then provides a historical overview of the two plants and focuses on the impact of these factors on iron and steel unionism. While these factors are treated separately for the purposes of discussion, they are interdependent. State policies concerning immigration shaped the ethnic mix of the workforce in both Lithgow and Sydney. Management's labour policies also influenced ethnic relations.

Data and Concepts

There are particular problems with trade union density data when undertaking research at the enterprise level. Trade union statistics focus on national, state, or industry levels. Official statistics are not kept for individual workplaces, towns, or regions. While contemporary researchers may be able to undertake surveys at these levels, this option is not available to the historian. Union archives may provide data for particular branches of a union, but it is unlikely that workplace membership data would have been collected or retained. It is more likely that workplace membership data will survive if the union branch corresponded to the workplace or a particular union only had members in one workplace.⁷

While the absence of detailed data on union membership prevents quantitative analysis, sufficient documentary sources are available to undertake a qualitative study of the two plants and include local newspapers, company records, and gov-

⁶W.J.A. Donald, *The Canadian Iron and Steel Industry* (Cambridge 1915); C. Heron, *Working in Steel: The Early Years in Canada, 1883-1935* (Toronto 1988), 127-131; G. Patmore, "Localism and Industrial Conflict: The 1911-12 Lithgow Ironworks Strike Revisited," *Labour and Industry*, 10 (1999), 57-78; Patmore, "Union Birth, Growth and Death: The Impact of the State, Management and Community at the Lithgow Ironworks, 1900-1914," *The Journal of Industrial Relations*, 46 (2004), 218-243; *Sydney Post*, 6 October 1902.

⁷S. Bain and R. Price, *Profiles of Union Growth: A Comparative Statistical Portrait of Eight Countries* (Oxford 1980), 3; R. Martin, P. Sunley, and J. Wills, *Union Retreat and the Regions: The Shrinking Landscape of Organized Labour* (London 1996), 19-20.

ernment documents. They indicate general trends in union membership and highlight factors that may be significant in explaining the varying fortunes of iron and steel unions in the two plants.

A variety of factors can explain variations in trade union membership. Some relate to macro-economic variables such as the level of unemployment. There are structural explanations for changes in trade union membership. There has been a shift in employment from highly unionized manual sectors such as manufacturing towards the poorly organized services sector. Researchers, whether using econometric or non-econometric techniques, disagree over the relative importance of these variables. Chaison and Rose, in their influential review of the macro-determinants of union growth and density, conclude that structural shifts in employment and public opinion are not primary determinants of union growth at a national level and contribute little to an understanding of international trends. They found that the state, through public policy and management opposition to unionism, were important factors in understanding national differences, but recognized that the lines of causation between the two were unclear.⁸

With regard to the state, there has been a long-standing recognition that a sympathetic state may provide a favourable climate for union formation and growth. Recently Bruce Western highlighted that the presence of working-class political parties in governments has had a positive impact on union organization in capitalist countries. Industrial relations scholars have attached importance to particular labour legislation as playing a crucial role in promoting union growth. Historians have claimed that compulsory arbitration and wage boards made a major contribution to the growth of Australian trade unions between 1900 and 1914. Compulsory arbitration required workers to form unions to bring grievances before industrial tribunals. The registered unions gained corporate status and monopoly over organization in certain industries. There were provisions for a common rule and preference to unionists. Even though there was no provision for unionism in the wage board system, some historians have argued that unions grew because workers cooperated to lobby for wage boards, elect representatives, ensure uniform arguments, and watch for breaches of awards.⁹

There have been criticisms of this emphasis on compulsory arbitration as an explanation for Australian trade union growth between 1900 and 1914. G. Withers has shown that countries without compulsory arbitration, such as Sweden, Germany, and the UK, also experienced spectacular rates of union growth between 1890 and 1913. The various econometric studies provide an *ad hoc* estimate of the impact of arbitration and do not explain the relationship between union growth and arbitration. There is also evidence that some unions collapsed under the strain of the

⁸G. Chaison and J. Rose, "The Macrodeterminants of Union Growth and Decline," in G. Strauss, D. Gallagher, and J. Fiorito, eds., *The State of the Unions* (Madison 1991), 3-45.

⁹Patmore, *Australian Labour History*, 120-121; B. Western, *Between Class and Market: Postwar Unionization in the Capitalist Democracies* (Princeton 1997), 66-93, 114, 119-120.

costs associated with arbitration, while registration did not protect unionists from employer victimization.¹⁰ Cooper has criticized the arbitration thesis for ignoring “the agency of trade unionist activists in building working class organisation” and seeing “unions instead as mere products of their environment.”¹¹ Indeed, Peter Sheldon argues that union activism in a favourable economic climate rather than arbitration underlay recruitment for four maritime-related unions in NSW for the period 1900-1912. Markey takes a longer-term approach by viewing the 1890s as a “brief aberration” in the process of unionization that began in the 1880s without the benefit of arbitration. He notes that unions operated in a climate of “public sympathy and social conscience” in the early 1900s which created a political climate that removed state impediments to unionism and encouraged union growth.¹² While there is a recognition that the overall benefits of arbitration for union growth have been exaggerated, and that other factors have to be considered to explain union growth, there is evidence in some industries such as the railways that unions “linked the level of financial union membership among particular groups of workers and applications for arbitration awards.”¹³

If industrial relations commentators have focused on the impact of the state, they have little to say about state repression and its impact on union growth. Kelly, drawing upon mobilization theory, argues that state repression increases the costs of collective action. State repression can take a variety of forms: direct physical attack on strikers, the protection and provision of strikebreakers, and the harassment of union activists. The agencies involved include the military, the police, intelligence services, and the courts. While state repression may be at the margins of traditional industrial relations, the successful targeting by the state of union activists may seriously affect the ability of unions to organize and represent members’ interests.¹⁴ The defeat of militant workers such as coal miners and waterfront workers “may radically alter employee perceptions of general union instrumentality and thereby raise the expected costs of collective organization and action across many sectors of the economy far removed from the direct hand of state repression.”¹⁵

¹⁰Cooper, *Making the NSW Union Movement*, 57-59; P. Sheldon, “Arbitration and Union Growth: Building and Construction Unions in NSW, 1901-1912,” *The Journal of Industrial Relations*, 35 (1993), 379-397; G. Withers, “Labour,” in R. Maddock and I.W. McLean, eds., *The Australian Economy in the Long Run* (Cambridge 1987), 248-288.

¹¹Cooper, *Making the NSW Union Movement*, 62.

¹²R. Markey, “Explaining Union Mobilisation in the 1880s and the Early 1900s,” *Labour History*, 83 (2002), 19-42; Sheldon, “Compulsory Arbitration and Union Recovery: Maritime-Related Unions 1900-1912,” *The Journal of Industrial Relations*, 40 (1998), 422-440.

¹³Patmore, *Australian Labour History*, 120.

¹⁴J. Kelly, *Rethinking Industrial Relations: Mobilisation, Collectivism and Long Waves* (London 1998), 56-59.

¹⁵Kelly, *Rethinking Industrial Relations*, 59.

The attitudes and behaviour of employers towards unions are crucial factors in assisting or hindering trade union growth. Ideology, the economic climate, and the legal environment can influence employer attitudes to trade unions. Employers can weaken trade unionism through either peaceful competition or forcible opposition. The tactics of peaceful competition include offering better wages than the union standard during a union recruitment campaign, and establishing elaborate grievance procedures that exclude unions and encourage company unions. Forcible opposition includes the victimization of union activists and discrimination against union members in promotion and pay raises. Employers may also engage in repression to contain the possibility of collective action, with measures such as spies and blacklists.¹⁶

In addition to the state and management, two other factors may assist in understanding the differences between the Lithgow and Sydney plants — ethnicity, and community or locality. Recent comparative labour history research on Australia and Canada has highlighted striking differences in the ethnic diversity of the respective working classes in the first two decades of the last century. The Australian workforce and labour movement were highly homogeneous and dominated by British immigrants and their offspring. Australian legislators excluded non-European labour through the White Australia Policy and pursued policies that promoted British immigration. Although federation created an Australian nation in 1901, the process reinforced Australia's links with Britain and created uniform barriers against non-European labour. There was support from labour, the urban middle class, and farmers for creating “a free but exclusively European society.” While Canadian legislators also restricted non-European labour, by contrast they encouraged broader immigration from the US, Britain, and Europe to assist the settlement of the Prairies and to promote industrialization.¹⁷

Is the ethnic diversity of the workforce a factor that assists or hinders unionization? Early comparisons between unionism in Australia and the United States claimed that ethnic homogeneity was an explanation for the strength of the Australian labour movement. W.E. Murphy, a former secretary of the Melbourne Trades Hall, published a two-volume history of the Australian and overseas eight-hour movement in 1896 and 1900. Murphy blamed the ethnic divisions within US labour for the failure to achieve the eight-hour day. The different nationalities in some major US unions were more concerned with resolving the “congested ethics of conti-

¹⁶G.S. Bain, *The Growth of White-Collar Unionism* (Oxford 1970), 131-135; Chaison and Rose, “The Macrodeterminants of Union Growth and Decline,” 22-24; D. Peetz, *Unions in a Contrary World: The Future of the Australian Trade Union Movement* (Cambridge 1998), 13-15; R. Freeman, “Why Are Unions Faring Poorly in NRLB Representation Elections?,” in T. Kochan, ed., *Challenges and Choices Facing American Labor* (Cambridge 1986), 60-62; Kelly, *Rethinking Industrial Relations*, 56-58.

¹⁷F. Iacovetta, M. Quinlan, and I. Radforth, “Immigration and Labour: Australia and Canada Compared,” *Labour/Le Travail*, 38 (Fall 1996), 90-115.

mental socialism” than achieving shorter hours. Labour theorists in the 1950s and the 1960s argued that one reason for the growth of “group consciousness” amongst US workers was the disappearance of ethnicity as a divisive force.¹⁸

Ethnic diversity does not necessarily inhibit unionism. Both Australian and Canadian research indicates that immigrants do not have any lesser tendency than native-born workers to join unions or to be interested in industrial issues. Direct workplace experiences, rather than pre-migration cultures, largely shaped their industrial behaviour. Opportunities to join unions, however, were limited by the policies of the state, management, and organized labour towards minorities. The state may threaten immigrant workers with deportation or enforce racial segregation. Employers can exacerbate ethnic divisions within the workforce by organizing their employees along ethnic lines and providing different wages and working conditions. Due to racist ideologies and fears of economic competition, unions may exclude ethnic minorities.¹⁹ As Brueggemann and Boswell have noted for the US experience, “class solidarity requires comprehensive trade unionism that prevents undercutting wages and provides collective benefits to the working class as a whole.”²⁰ A high proportion of workers from minority backgrounds occupying strategic positions in the labour process may strengthen comprehensive unionism. The presence of leftists in organizing activities and the location of the workplace in a racially integrated neighbourhood are positive factors. The form of the production process is also important: a complex and hierarchical division of labour divides workers, whereas homogeneous and dependent work assists organizing.²¹

In recent years, Australian labour historians have increasingly focused on locality and community to understand labour organization and mobilization in particular towns.²² The workers’ geographic location, the operation of local labour markets, and local industrial/political traditions can lead to variations in industrial behaviour in specific locations even where the employer, labour processes, industrial agreement, and trade union are the same. Differences in the industrial employment structure between localities are not sufficient to explain spatial differences in strike rates. In areas with a long history of union organization, a tradition of “union

¹⁸A. Blum, “Why Unions Grow,” *Labour History*, 9 (Winter 1968), 39-72; W.E. Murphy, *History of the Eight Hour’s Movement*, vol. 2 (Melbourne 1900), 3-4, 39.

¹⁹E. Beaton, “Thomas Cozzolino: An Introduction,” in S. Migliore and A. Evo DiPierro, eds., *Italian Lives, Cape Breton Memories* (Sydney, NS 1999), 40-44; Iacovetta, Quinlan, and Radforth, “Immigration and Labour,” 97-100; C. Lever-Tracy and M. Quinlan, *A Divided Working Class* (London 1988), 309.

²⁰J. Brueggemann and T. Boswell, “Realizing Solidarity: Sources of Interracial Unionism During the Great Depression,” *Work and Occupations*, 25 (1998), 436-482.

²¹Brueggemann and Boswell, “Realizing Solidarity,” 437-440; M. Goldfield, “Race and the CIO: The Possibilities for Racial Egalitarianism during the 1930s and 1940s,” *International Labor and Working Class History*, 44 (Fall 1993), 1-32.

²²G. Patmore, “Working Lives in Regional Australia: Labour History and Local History,” *Labour History*, 78 (2000), 1-6.

culture” may develop that assists labour organizing and encourages a greater acceptance of unions by local employers. While it should not be assumed that union culture remains unchanged over time or is locally homogeneous,²³ locally based traditions, once established, “can exhibit a high degree of socio-institutional persistence over time, and, at the very least, influence the nature of subsequent changes and developments.”²⁴ The spatial organization of classes in a particular location can also have an impact. Where workers and their employers live in close proximity, there may be a greater probability of class alliances or “labour-community coalitions” in dealing with external threats or opportunities.²⁵ This study extends the focus of Australian labour historians on locality in explaining labour mobilization to a comparative labour history framework.

This paper will now examine the impact of ethnicity, the state, employers, and the community context upon unionism in the iron and steel plants in Lithgow and Sydney. Policies that exacerbated ethnic divisions weakened unionism at Sydney. The state and the community context played a more positive role for Lithgow plant unionism. With the exception of the period from 1900 to 1907 in Lithgow, and a very brief period in Sydney, management was hostile to trade unionism.

An Overview of the Iron and Steel Plants at Lithgow and Sydney, 1900-1914

Australian and Canadian economies occupied marginal places in the world economy in the early decades of the last century, yet there were significant differences in terms of industrialization. While both domestic markets were relatively small, with Canada having a larger population, Australia was more reliant on the export of primary produce and was less industrialized. Australia’s economy was more closely tied to the needs of British finance and industry, a dependent relationship that retarded industrialization. Federation in 1901 removed tariff barriers between the Australian colonies. The Canadian economy also boomed, relative to Australia between 1896 and 1914. Canada experienced a “second industrial revolution” with significant industrialization. By 1913 Canada ranked third in the world in manufacturing output on a per capita basis. While Canada and Australia similarly relied on the UK for exports, around one-third of Canadian exports went to the US. The US

²³A. Herod, “The Spatiality of Labor Unionism: A Review Essay,” in A. Herod, ed., *Organizing the Landscape: Geographical Perspectives on Labor Unionism* (Minneapolis 1998), 36-62; R. Martin, P. Sunley, and J. Wills, “The Geography of Trade Union Decline: Spatial Dispersal or Regional Resilience?,” *Transactions of the Institute of British Geographers*, NS 18 (1993), 55; Martin, Sunley, and Wills, *Union Retreat*, 141-151; J. Wills, “Geographies of Trade Unionism: Translating Traditions Across Space and Time,” *Antipode*, 28 (1996), 352-378.

²⁴Martin, Sunley, and Wills, *Union Retreat*, 16.

²⁵G. Patmore, “Labour-Community Coalitions and State Enterprise: Retrenchment at the Lithgow Small Arms Factory 1918-1932,” *The Journal of Industrial Relations*, 39 (1997), 218-243.

also had an increasingly significant role in capital investment in Canada. Between 1900 and 1914, US investment in Canada increased five-fold.²⁶

Compared to Australia, the ownership of Canadian industry became more concentrated, with corporate mergers and joint stock companies emerging as the typical industrial form. Boards of directors replaced family dynasties. There were 56 major industrial consolidations in Canada between 1900 and 1912. Industrial financiers and managerial magnates became important players. A desire to increase output to meet the demands of growing product markets accompanied the increased concentration of ownership. The larger corporations turned to such new technology as assembly line production and introduced new methods of labour management such as industrial betterment or welfarism. Canadian employers generally did not see the need to recognize unions, rejecting the notion that they could be valuable allies in disciplining the growing industrial workforce. The steel industries of Canada and Australia mirrored the broader differences in their political economies. Australia's only operating iron and steel plant at the outbreak of World War I was a relatively small family-owned plant at Lithgow, while four corporations, including the Dominion Steel Corporation at Sydney, Nova Scotia, dominated the Canadian industry.²⁷

Against this background, Sydney and Lithgow followed different paths of economic development. Sydney was founded in 1785 as the capital of the new colony of Cape Breton, which was a refuge for British loyalists following the American Revolutionary War. Sydney's population greatly increased from 600 in 1850 to 2,400 in 1891. Its economy grew dependent on fishing, agriculture, and a port, which shipped coal and which froze during the bitterly cold winters. Lithgow, on the other hand, lies in a valley on the western edge of the Blue Mountains in New South Wales. The arrival of the railway in 1869 provided the basis for its economic development. Coal reserves in the Lithgow valley were exploited and transported by rail to Sydney, the state capital of New South Wales, Australia [hereafter Sydney NSW]. As the railway moved further westward, Lithgow became an important source of coal for the New South Wales Government Railways. Coal attracted other

²⁶J. Ferland and C. Wright, "Rural and Urban Labour Processes: A Comparative Analysis of Australian and Canadian Development," *Labour/Le Travail*, 38 (Fall 1996), 142-169, esp. 144-146; D. Greasley and L. Oxley, "A Tale of Two Dominions: Comparing the Macroeconomic Records of Australia and Canada since 1870," *Economic History Review*, 51 (1998), 294-318; G. Kealey and D. Cruikshank, "Strikes in Canada, 1891-1950," in G. Kealey, ed., *Workers and Canadian History* (Montreal 1995), 345-418; B. Palmer, *Working Class Experience: Rethinking the History of Canadian Labour, 1800-1901* (Toronto 1992), 157-160.

²⁷P. Craven, "*An Impartial Umpire*": *Industrial Relations and the Canadian State 1900-1911* (Toronto 1980), 368; Heron, *Working in Steel*, 16-24; Palmer, *Working Class Experience*, 157-161; Patmore, *Australian Labour History*, 142.

industries including iron and steel, copper smelting, brickmaking, and pottery. The population increased from 2,112 in 1881 to 3,865 in 1891.²⁸

Although the iron and steel industry was operating in the Lithgow valley before 1900, it had a volatile history. Coal and the demand of the NSW Government Railways for iron rails prompted a group of non-resident entrepreneurs to establish a blast furnace at Lithgow in 1876. These entrepreneurs included James Rutherford, who was manager of the Cobb & Co. coach company at Bathurst. However, cheaper imports, railway freight charges, and poor quality iron ore contributed to financial difficulties, and the owners demolished the furnace. The owners initially leased the ironworks to a workers' cooperative, which rerolled rails, and in 1887 transferred the lease to William Sandford who had managed ironworks in the UK and had come to Australia in 1883 to manage a wire-netting plant for John Ly-saght in Melbourne. In 1892 Sandford bought the entire ironworks, which included ore leases, the Eskbank Colliery, the land of the Eskbank Estate, and purchased a 580-hectare property on the outskirts of Lithgow, which he farmed. The Lithgow plant employed approximately 200 workers in 1898.²⁹

Despite continued import competition, the Lithgow plant underwent major capital investment from 1900 until 1914. Import competition was primarily from the UK but also came from Europe, North America, and India. In December 1914 imported English pig iron could match the Lithgow price in Sydney NSW but undercut it at the other main Australian ports. Sandford expanded the ironworks by installing a steel furnace in 1900 and re-establishing the blast furnace in 1907, based on a guaranteed NSW government contract for steel rails. The capital investment in the new blast furnace overextended Sandford's finances and his bank foreclosed on him in December 1907. The family-owned G. & C. Hoskins Ltd., which manufactured iron pipes in Sydney NSW and was a major customer of the Lithgow Ironworks, purchased the plant. The Hoskins family benefited from the NSW government contract for rails. They also benefited from the federal government bounties introduced for steel production in 1909, which shifted the Lithgow plant from losses in 1909 to profits by 1914. The improving financial position led Hoskins to complete a second blast furnace in 1913. The expansion of the iron and steel works led to a dramatic growth in employment and contributed to Lithgow's overall population growth. By 1911 the total number of employees at the plant was 1,052. The town's population increased from 5,268 in 1901 to 8,196 in 1911. By

²⁸R. Crawley, "Class Conflict and the Establishment of the Sydney Steel Industry 1899-1904," in K. Donovan, ed., *The Island: New Perspectives on Cape Breton History 1713-1990* (Fredericton, NB 1990), 145-164; S.J. Hornsby, *Nineteenth Century Cape Breton: A Historical Geography* (Montreal 1992), 23-28, 82; I. Jack and A. Cremin, *Australia's Age of Iron: History and Archaeology* (South Melbourne 1994), 96-101; R. Morgan, "Separatism in Cape Breton 1820-1845," in K. Donovan, ed., *Cape Breton at 200: Historical Essays in Honour of the Island* (Sydney, NS 1985), 41-51.

²⁹*Lithgow Mercury*, 22 September 1899; Patmore, "Localism," 62.

1913, Lithgow's output of pig iron was approximately 46 per cent of Australian consumption, but Australia remained essentially dependent on British imports to meet its demand for steel.³⁰

Compared to Lithgow, the Sydney plant was a greenfield site. There was no tradition of iron and steel making in the town prior to the arrival of the Dominion Iron and Steel Co. [DISCO] in 1899. In contrast to the family firms that ran Lithgow, DISCO was a modern corporation with a board of directors that included some of Toronto's and Montreal's leading capitalists. It was an example of the growing concentration of capitalist power in Canada and its shares were traded on major Canadian and US stock exchanges, including Wall Street. The main inspiration for DISCO came from Henry Whitney who was based in Boston and connected with the Dominion Coal Co. The Dominion Coal Co., which had collieries in Nova Scotia, needed to find a new outlet for coal production. The closure of the St. Lawrence River during winter limited access to Canadian markets. The US was becoming an increasingly difficult market. There were increased customs duties and limitations on the use of Nova Scotia coal due to excessive smoke. DISCO entered into a contract with Dominion Coal to supply coal, and purchased an iron ore mine on Bell Island, Newfoundland, which was not then part of Canada. The fine Sydney harbour and its proximity to Europe compared to major US ports such as New York and New Orleans led to hopes for the establishment of an export trade to England. When Sydney harbour froze in winter, there was a 40-mile railway to the all-winter shipping point of Louisburg. There were also state incentives for the establishment of the plant. DISCO was exempted from local taxation and granted 480 acres of land for the plant. A federal Canadian bonus scheme for iron and steel production also subsidized the plant until 31 December 1910 for iron and steel ingots and until 30 June 1911 for wire rods. In 1906 the annual bonus was \$638,652.84.³¹

DISCO and Sydney faced numerous difficulties with the new iron and steel plant. While the new plant boasted the latest technology and became the largest producer of iron and steel in Canada, it experienced poor planning and mismanagement. Millions of dollars were wasted in the construction of the plant. The quality of nearby raw materials was exaggerated. There was a high turnover of managerial

³⁰Jack and Cremin, *Australia's Age of Iron*, 98, 114-115; Patmore, "Localism," 62-63; N.R. Wills, *Economic Development of the Australian Iron and Steel Industry* (Sydney, NSW 1948), 74-75.

³¹T.W. Acheson, "The National Policy and the Industrialization of the Maritimes, 1880-1910," *Acadiensis*, 1 (Spring 1970), 3-28; Canada, Department of Mines, Mines Branch, *Report on the Mining and Metallurgical Industries of Canada* (Ottawa 1908), 539; Canada, *Royal Commission on Industrial Training and Technical Education. Report of the Commissioners* (Ottawa 1913), vol. iv, 1702; Crawley (1990), "Class Conflict," 145-147; Donald, *The Canadian Iron and Steel Industry*, 200-212, 348; Heron, *Working in Steel*, 20; D. Macgillivray, "Henry Melville Whitney Comes to Cape Breton: The Saga of a Gilded Age Entrepreneur," *Acadiensis*, 9 (Autumn 1979), 44-70.

staff and allegations that the Canadian financiers running the company were more concerned with share manipulation than efficient production. DISCO was vulnerable to import dumping from the US and share speculation. The company also had a prolonged conflict with the Dominion Coal Co. which supplied coal to the plant and enjoyed a close relationship with DISCO through interlocking directorates and joint management. There was legal action in 1906 over the quantity and quality of coal supplied by Dominion Coal. This conflict ended when DISCO and the Dominion Coal Co. became part of a holding company known as the Dominion Steel Corporation in 1910. During the construction of the iron and steel plant Sydney's population grew four-fold and quickly surpassed Lithgow. The population of Sydney was 9,909 by 1901 and 17,723 by 1911. This rapid population growth resulted in inadequate water, electricity, sewerage, and housing, and there were reports of typhoid fever due to unsanitary conditions.³²

Differences between the two plants reflect the greater concentration of capital in DISCO. The Sydney plant was on a larger scale than Lithgow with four blast furnaces which produced pig iron, and ten steel furnaces by 1902. Its first blast furnace was blown in on 2 February 1901 and the production of steel commenced in December 1901. The plant expanded to include a wire-rod mill, steel rail mill, and two more blast furnaces. It employed more workers than the Lithgow plant: 2,700 workers in 1907 and 2,800 in 1910. The Lithgow plant occupied two sites, with the blast furnaces one kilometre from the rest of the ironworks. This reinforced a separate identity for the blast furnace workers — they occupied a strategic position in the production process as the furnaces required continuous operation to avoid considerable expenditure on repairs. As will be seen later, blast furnace workers were active in establishing unions at the Lithgow plant. Steel rails were an important output at Sydney from 1905, forming 56 per cent of the tonnage shipped from the DISCO plant in 1908. Import competition and changing protectionist policies, however, eventually forced DISCO to diversify production to include wire, nails, bolts, and nuts. Prior to the Hoskins takeover in 1907, the focus of the Lithgow plant had been wrought iron, mainly in the form of bars. Hoskins decided to focus on steel, and from 1912 Lithgow concentrated on the production of steel rails, particularly with winning the rail contract for the Transcontinental Railway. The focus on steel rails coincided with the closure of the puddling furnaces, which had been a feature of the Lithgow ironworks since the 1870s. Though the Lithgow plant was being

³²R. Crawley, "Class Conflict and the Establishment of the Sydney, N.S., Steel Industry, 1899-1904," MA thesis, Dalhousie University, 1980, 23, 27, 34; Crawley (1990), "Class Conflict," 147-151; Donald, *The Canadian Iron and Steel Industry*, 205-208; Heron, *Working in Steel*, 20-21; C. Howell, "The 1900s: Industry, Urbanisation and Reform," in E.R. Forbes and D.A. Muise, eds., *The Atlantic Provinces in Confederation* (Toronto 1993), 155-191; *Labour Gazette*, October 1903.

modernized during this period, the Sydney plant was far more advanced in labour-saving technology and productive organization.³³

Lithgow and Sydney employees worked under the difficult and dangerous conditions of high temperatures and noxious fumes, as well as having to lift heavy weights. There were so many accidents at the Sydney plant that the Nova Scotia Provincial Factory Inspector conducted a special investigation into 100 accidents for the period of 4 July to 30 September 1911. Of these, 26 were classified as “severe” and 72 as “slight.” There were two fatalities, which involved one labourer being buried in a car of coke dust and another losing his head and arm after being run over. Deaths on the job were less common at Lithgow, but newspapers regularly reported on workers suffering burns and crushed limbs in workplace accidents. The blast furnaces at Sydney in 1910 were kept going day and night, with two shifts. Most employees worked a daily shift of twelve hours for seven days, with no extra pay for overtime, Sundays, and holidays. While the blast furnaces at Lithgow also had to operate on a continuous basis, by 1910 Lithgow workers endured shorter shifts. They worked seven shifts per week, for a total of 56 hours. A 1909 wage board award provided the Lithgow workers with extra pay for overtime, Sundays, and holidays. There were similar industrial issues at both plants concerning payment systems, particularly tonnage versus day rates, and Sunday work.³⁴

Trade unionism had a greater influence at the Lithgow plant than at the Sydney plant for the period 1900-1914. There were two phases of trade unionism at Lithgow. Skilled craft unions such as the Amalgamated Society of Engineers had members at the Lithgow Ironworks, and from 1902 to 1910 the most significant union was the Eskbank Ironworkers Association. This union changed its name in March 1909 to the Eskbank Iron and Steel Workers Association which covered only the Lithgow plant. The membership figures in Table 1 are derived from its returns to the NSW Registrar of Trade Unions and Friendly Societies for the period of 1903 to 1909.³⁵

³³Donald, *The Canadian Iron and Steel Industry*, 204, 207, 210; D.G. Hoskins, *The Ironmaster: The Life of Charles Hoskins* (North Wollongong 1995), 42, 53; *Labour Gazette*, March 1907, February 1909; Patmore, “Union Birth, Growth and Death,” 28; *Sydney Post*, 25 July 1910; Wills, *Economic Development of the Australian Iron and Steel Industry*, 58.

³⁴Australia, “Manufactures Encouragement Act 1908: Bounty Paid During Financial Year Ended 30th June 1910,” *Commonwealth Parliamentary Papers*, 1910 Session, Vol. III, 23-24; Crawley (1990), “Class Conflict,” 154-157; Heron, *Working in Steel*, 88-89; *Lithgow Mercury*, 26 March 1909, 3 July 1914; Nova Scotia, “Fourth Annual Report of Factories Inspector for Year Ended September 30, 1911,” *Journals and Proceedings of the House of Assembly of the Province of Nova Scotia*, 1912 Session, Part II, Appendix 15; Nova Scotia, “Report of the Commission on Hours of Labour,” *Journals and Proceedings of the House of Assembly of the Province of Nova Scotia*, 1910 Session, Part II, Appendix 26, 65-66; *Sydney Post*, 3 October 1908.

³⁵*Lithgow Mercury*, 22 July 1907; Patmore, “Localism,” 63-64.

Table 1. Eskbank Ironworkers Association Membership, 1903-09

Year	Union Membership	Employment	Union Density (%)
1903	102	340	30
1904	107	309	35
1905	107	351	30
1906	142	490	29
1907	241	835	29
1908	357	632	56
1909	282	950	30

Mill and forge workers at the Lithgow Ironworks re-formed the Eskbank Ironworkers Association on 13 September 1902. This union was built on a strong tradition of unionism at the Lithgow site. The first Eskbank Ironworkers Association had been formed in 1882 and revived on several subsequent occasions. The desire to gain the broader support of the labour movement for a federal bonus bill and to obtain access to the fledgling arbitration system were major motivations for the re-formation of the union in 1902. The union gained the support of the Lithgow Municipal Council in February 1904 for a joint approach to the prime minister to have a bonus on iron production. It also obtained management recognition. The union fought wage reductions at the Lithgow plant in 1903 and was able to negotiate an agreement with Sandford. While the agreement upheld Sandford's wage reductions, it also provided for a joint union/management conciliation board to handle grievances, a sliding scale linking wages to product prices and preference to unionists. In June 1904 the union obtained the intervention of the NSW Arbitration Court when it ratified the agreement as an award and provided penalties for award breaches. While there does appear to be an increase in union density in 1904, the award and preference to unionists did not provide any permanent basis for growth before 1908.³⁶

The Eskbank Ironworkers experienced unprecedented growth in 1908 before its eventual collapse by the end of 1910. The growth was set against the background of the efforts by Charles Hoskins to make the plant solvent. Worker discontent increased as Hoskins restructured work to reduce labour costs and challenged established customs such as smoking at work. Between March 1908 and April 1909 there were four disputes over wages and work organization. To increase membership and industrial strength, the union began actively recruiting workers at the blast furnace in January 1908. These strategically placed and isolated workers had previously attempted to form a union in October 1907. The Eskbank Ironworkers Association refused to accept wage cuts and Hoskins initiated a lockout in July 1908, for which the NSW Arbitration Court fined him and his company. The union success-

³⁶Patmore, "Union Birth, Growth and Death," 29-30.

fully applied for a wage board under the NSW Industrial Disputes Act. It obtained an award in March 1909, which was disappointing. The award upheld some of Hoskins's wages cuts and his preference for time-based rather than tonnage rates. The award did retain a preference-to-unionists clause, but this did not prevent a serious decline in union membership in 1909. The union was moribund by the end of 1910, despite an attempt by the Sydney NSW Iron Trades Council to revive it in September 1910.³⁷

The second phase of unionism at the Lithgow plant had commenced by at least August 1910 when workers at the blast furnace again formed their own Blast Furnace Workers Association. This union, which only had 92 members, decided in January 1911 to expand the coverage of the union by affiliating with the nationally organized Federated Ironworkers Association [FIA], thereby gaining access to federal arbitration rather than registering under the unpopular NSW Industrial Disputes Act. The FIA was a moderate union which covered less skilled workers in the iron and metal trades such as craft workers' helpers, labourers, and mill hands. The union also began actively recruiting other Lithgow ironworkers. This organizing ensured the success of the union in the longest dispute in the history of the Lithgow Valley, which occurred at the Lithgow Ironworks from July 1911 to April 1912. It arose from the victimization of a union delegate at the Lithgow Ironworks Tunnel Colliery. The strike settlement forced Hoskins to reinstate the dismissed delegate. Unfortunately there is no data series available for membership of either the Blast Furnace Workers Association or the Lithgow Branch of the FIA, which had coverage beyond the Lithgow Ironworks.³⁸

In contrast to Lithgow, the labour organization that first organized the Sydney plant was not a workplace union but an "outside" union known as the Provincial Workmen's Association [PWA]. Coalminers founded the Provincial Miners Association in Springhill, Nova Scotia, in 1879. While the bulk of the PWA's membership remained in coalmining, the union changed its name to the PWA in 1880 in recognition of a desire to organize "all categories of workingmen." The PWA was a Canadian union and not a US-based international affiliated to the American Federation of Labor [AFL]. It also adopted the rituals of fraternal orders such as Freemasonry, including regalia and secret passwords. Like the fraternal orders the PWA emphasized the self-respect of its members. While the leadership of the union was conservative, the union was not as highly centralized as some labour historians initially suggested. Tensions arose between the leadership and autonomous local lodges. There were also tensions during the 1890s between the militant mainland Nova Scotia lodges and the conservative Cape Breton lodges, which enjoyed a close relation-

³⁷Patmore, "Union Birth, Growth and Death," 30.

³⁸*Lithgow Mercury*, 30 January 1911; R. Murray and K. White, *The Ironworkers: A History of the Federated Ironworkers' Association of Australia* (Sydney 1982), 16-25; Patmore, "Localism," 64-74.

ship with the Dominion Coal Company and the benefits of a check-off for union subscriptions.³⁹

The PWA, despite early successes, fell apart in the 1890s. Robert Drummond, the union's founder and first grand secretary, took the view that coalminers and their employers had common interests. Drummond clashed with union members over legislation to end the truck system on the coalfields. In this system, miners purchased goods from company stores and the companies withheld wages to pay these debts. They complained that they could receive little or no cash for their labour and became dependent on the coal companies. Drummond sided with the Dominion Coal Company and questioned the need for legislation to interfere in the miner's right to choose cash. He was concerned that Dominion Coal might retaliate by discontinuing the check-off for union dues. There was revolt by the Cape Breton lodges and there were defections to the Knights of Labor. Drummond resigned in 1898. The revolt and defections severely weakened the PWA. By 1899 there were fewer than 1,000 members and only three lodges in "good standing."⁴⁰

The new grand secretary, John Moffatt, tried to rebuild the union. In 1900 he negotiated a sliding scale, which linked coal prices with wages, with coal companies. This resulted in wage increases at a time of rising prices. While coalminers retained their dominance within the PWA, the union also organized other labouring groups, such as quarry workers, railway employees, and female retail clerks, to increase their coverage. By September 1903 the union had almost 7,000 members and 34 lodges.⁴¹

Within this context, the PWA organized the Sydney iron and steel workers from 1902 to 1904. There was an earlier lodge for coal trimmers at DISCO's International Pier, but the first of the two main lodges for DISCO iron and steel employees, the Ingot Lodge, was not formed until October 1902. It was solely for DISCO employees in the suburb of Whitney Pier. Shortly after the PWA formed the Thistle Lodge, which covered DISCO employees resident in Sydney proper. While PWA lodges never negotiated a collective agreement with DISCO, management was willing to meet with PWA representatives to discuss grievances. The non-affiliation of the PWA with the AFL weakened broader union solidarity in Sydney as the PWA was unable to join the Sydney Trades and Labour Council, which was established and run by international union lodges. Unfortunately no PWA membership data for the Sydney plant has sur-

³⁹Heron, *Working in Steel*, 127; P. MacEwan, *Miners and Steelworkers: Labour in Cape Breton* (Toronto 1976), 9-12; I. McKay, "By Wisdom, Wile or War: The Provincial Workmen's Association and the Struggle for Working Class Independence in Nova Scotia, 1879-97," *Labour/Le Travail*, 18 (Fall 1986), 13-62; S.M. Reilly, "The Provincial Workmen's Association of Nova Scotia, 1879-1898," MA thesis, Dalhousie University, 1979, 115-117; *Sydney Record*, 17 October 1903.

⁴⁰D. Frank, *J.B. McLachlan: A Biography* (Toronto 1999), 50-53; MacEwan, *Miners and Steelworkers*, 12-15; Reilly, "The Provincial Workmen's Association," ch. 5.

⁴¹Frank, *J.B. McLachlan*, 50; MacEwan, *Miners and Steelworkers*, 12-15.

vived in either union or government sources. There are, however, brief newspaper references to a total PWA membership of over 1,000 at the Sydney plant in March 1903.⁴²

The PWA's fight against wage cuts led to its demise. In 1903 DISCO faced competition from US steel companies dumping steel at below-market prices and declining share prices as stock market confidence in the company deteriorated. The company also needed capital to continue the expansion of the Sydney plant. DISCO implemented wage reductions of between 10 to 33 per cent on 1 December 1903 against PWA protests. Following the failure of demands by the PWA in April 1904 for DISCO to restore the wage cuts, PWA members went on strike on 1 June 1904. The willingness of the PWA to take militant action prompted a rush of new members, with over 600 workers enrolling at the meeting where the decision was made to strike. The striking steelworkers gained financial support from other PWA lodges and organized pickets to stop strikebreakers from entering the plant. DISCO, however, was able to convince local authorities to use militia and regular troops from Sydney, Halifax, and Québec to break up the pickets and allow strikebreakers into the plant. The PWA issued instructions to members to offer no resistance to the militia as it feared an outbreak of violence. Support from the colliery lodges of the PWA dwindled due to retrenchments in their industry. By the time the strike concluded on 22 July, the PWA was broken, and union officials were blacklisted.⁴³ DISCO also saw the dispute as an opportunity to withdraw recognition from the PWA. It was announced during the dispute that in the future "management will receive only committees of the Company's own employees in connection with any question arising on the plant."⁴⁴

The demise of the PWA did not mean the end of labour activity at the Sydney plant. DISCO did not recognize unions, but members of craft unions were working in the plant, and unions continued to organize. Some former PWA members organized a Sydney local of the International Association of Machinists on 30 November 1904, which survived until 1906. The United Brotherhood of Carpenters and Joiners of America local enrolled at least three members at the Sydney plant in July-August 1908. Members of the International Moulders Union sought the assistance of the Sydney Trades and Labour Council in May 1909 to re-establish the old custom of going home after pouring the molten metal. At varying times the United Mine Workers of America District 26, International Brotherhood of Electrical

⁴²Crawley (1980), "Class Conflict," 70-71; Heron, *Working in Steel*, 127; *Sydney Post*, 6 October 1902, 12 March 1903, 20 April 1903, 4 May 1903; *Sydney Record*, 13 March 1903, 30 July 1903, 17 October 1903. Crawley's (1980) claim that the Thistle Lodge was formed in February 1903 is incorrect, as the lodge was already meeting in November 1902; see *Sydney Post*, 25 November 1902.

⁴³Crawley (1980), "Class Conflict," 92-93, 124; Crawley (1990), "Class Conflict," 148-149, 157-164; Heron, *Working in Steel*, 127-128; MacEwan, *Miners and Steelworkers*, 16-17.

⁴⁴*Labour Gazette*, August 1904.

Workers and the Amalgamated Association of Iron, Steel and Tin Workers [AAISTW] sought the support of the Sydney Trades and Labour Council to organize the Sydney plant. While its 1910 convention opened membership to all iron and steel workers, the AAISTW generally continued to focus on organizing skilled workers in smaller sheet and tin mills with less automated machinery than DISCO. In June 1911 the union established a lodge in Sydney which enrolled at least 60 members. The lodge sent a DISCO employee as its representative on the Sydney Trades and Labour Council but failed to gain recognition from the hostile management.⁴⁵

DISCO employees also struck and lobbied governments. At least two further industrial disputes occurred at the plant before the outbreak of World War I: a successful strike by labourers for higher wages in August 1904; and in October 1908 employees at the rail finishing mills struck when management unilaterally decided to change the payment system from a daily pay rate to a tonnage rate. The employees were defeated, with management claiming that they had sufficient workers seeking employment to fill the strikers' places. DISCO employees also made representations in 1910 to the federal government to have the company increase wages under the federal fair wages regulations as it received a federal bounty for steel production. The fair wages regulations required government enterprises and federal government contractors to pay fair wages or generally accepted wages for competent workers in the district where the work was being performed. The federal government, however, ruled that the steel bounty was not part of any contract entered into between DISCO and the federal government.⁴⁶

Despite the distance between the Sydney and Lithgow plants, there were several levels of interaction. William Sandford visited the DISCO plant in August 1903 and received front-page coverage in the *Sydney Post*. He used the example of the DISCO plant to advocate the benefits of a bonus system for the Australian iron and steel industry. The *Lithgow Mercury* published articles on the progress of the Syd-

⁴⁵ Amalgamated Association of Iron, Steel and Tin Workers of North America [AAISTW], *Journal of the Thirty-seventh Annual Convention* (Pittsburgh 1912), 9575; Beaton Institute, University College of Cape Breton [hereafter BI], Sydney Trades and Labour Council [hereafter STLC], MG19/26, minutes, 21 May 1909, 16 June 1911, 18 August 1911, 3 April 1914, United Brotherhood of Carpenters and Joiners of America, Local 1588, MG19/25, minutes, 18 April 1910. Membership Applications, 1908-1909; D. Brody, *Steelworkers in America: The Nonunion Era* (New York 1970), 125-146; Heron, *Working in Steel*, 131; Historical Collections and Labor Archives, Pattee Library, Pennsylvania State University, State College, AAISTW, Ledger of Lodge Institutions, Disbandments, and Reorganisations, 1879-1914, Box 1; *Labour Gazette*, February 1907.

⁴⁶ Canada, "Report of the Department of Labour for the fiscal year ending March 31, 1911," Canada, *Sessional Papers*, 1911-12 Session, Vol. 23, Sessional Paper No. 36, 48; Heron, *Working in Steel*, 120; National Archives of Canada [hereafter NAC], Department of Justice collection [hereafter DJ], RG13, Series A-2, Vol. 2352, File 973/1910, Letter, Deputy Minister of Labour to Deputy Minister of Justice, 12 July 1910; Letter, Acting Minister for Justice to Deputy Minister of Labour, 18 July 1910; *Sydney Post*, 3 October 1908.

ney plant. DISCO also competed with the Lithgow Ironworks by exporting steel rails to Australia. While Lithgow workers did travel as far as the US to work in the iron and steel industry during periods of economic downturn, there is no evidence of any workers having worked at both plants.⁴⁷

Overall iron and steel unionism was more successful at the Lithgow plant than the Sydney plant. Whereas the PWA was only able to organize the Sydney plant for the period from 1902 to 1904, and there is evidence of activity by AAISTW in 1911, Lithgow iron and steel workers were unionized from 1902 to 1914, with the exception of a brief period. The next four sections will look at factors that may help explain the different experiences.

The Role of the State

During this period the federal and provincial/state governments in Australia and Canada that covered the two plants introduced legislation to regulate industrial relations. The Australian legislation in principle assisted unionization by assuming that workers would prefer union representation. The 1901 NSW Arbitration allowed registered industrial unions unilaterally to bring employers on any “industrial dispute” or “industrial matter” before a Court of Arbitration. Registered unions gained corporate status and some security against rival unions trying to organize the same workers. The legally enforceable award of the Court could prescribe a minimum rate of wages and preference to unionists. There was also provision for industrial agreements between unions and employers. The agreements could have the same effect as a Court award. Bernhard Ringrose Wise, the NSW Attorney-General and architect of the Act, hoped that compulsory arbitration would stimulate and supplement collective bargaining rather than replace it. When the NSW Railway Commissioners refused to recognize registered unions outside the Court, Wise overruled them and directed the Commissioners to receive correspondence and meet with union officials. The Commonwealth Conciliation and Arbitration Act of 1904 applied to interstate industrial disputes, but also provided for union registration and preference.⁴⁸

The conservative Wade Liberal Reform Government in NSW replaced the expiring 1901 legislation in 1908 with the Industrial Disputes Act. The Act provided for wage boards consisting of a chair from outside the industry and an equal number of employee and employer representatives drawn from the industry. There was an Industrial Court presided over by a Supreme District Court judge. The Industrial Court could recommend to the minister for labour the constitution of wage boards and act as a court of final appeal for the decisions of wage boards. This legislation

⁴⁷ *Canadian Mining Journal*, 1 July 1914; *Labour Gazette*, December 1908; *Lithgow Mercury*, 4 July 1902, 25 July 1902, 15 August 1902, 2 April 1904, 28 June 1904; *Sydney Post*, 11 August 1903.

⁴⁸ Patmore, *Australian Labour History*, 109-110, 115, 125.

created an outcry within the NSW trade union movement. Unionists criticized its extensive penal powers for enforcing awards and preventing strikes. They also condemned the legislation for undermining trade unionism since it allowed associations of at least twenty workers, as well as registered industrial unions, to apply for wage boards. The Labor Council of NSW tried unsuccessfully to enforce a boycott of legislation. Trade unions rushed to the Court to prevent rivals from obtaining exclusive representation on wage boards and awards.⁴⁹

The various arbitration Acts had mixed benefits for Lithgow iron and steel unionism. They clearly influenced both the formation and shape of unionism. Access to the NSW Industrial Arbitration Court was one of the major motivations underlying the formation of the Eskbank Ironworkers Association in October 1902. The Blast Furnace Workers Association's decision in January 1911 to affiliate with the FIA was prompted by a desire to gain access to federal arbitration rather than registering under the unpopular NSW Industrial Disputes Act. There is, however, no evidence that the Lithgow plant unions used the preference clause to promote union membership. The iron and steel unions therefore could not link union membership for specific groups of workers with the promise of a wage board award. The 1904 and 1909 awards were also associated with a decline in union membership. These awards may have contributed to worker disillusionment with arbitration as a union strategy. Both awards upheld wages cuts by employers, and the 1909 award supported Hoskins's preference for time-based rates. Registration within the industrial arbitration system and preference to unionists in the 1909 award did not prevent the collapse of the Eskbank Ironworkers Association in 1910.⁵⁰

The Canadian legislation did not register unions and emphasized conciliation. Following the success of a federally appointed mediator in resolving labour unrest in the Kootenay metal mines of southeastern British Columbia, the federal Laurier Liberal government in 1900 enacted a Conciliation Act. This legislation, borrowed from 1896 UK legislation, created a Department of Labour to provide voluntary *ad hoc* conciliation services and to publish information. The Conciliation Act offered a series of possible options for the minister of labour, including unilateral action to bring about a conference between disputants, conciliation on the request of at least one party to the dispute, and arbitration if requested by both parties. Following a bitter and protracted coal strike at Lethbridge in Southern Alberta in 1906, the federal legislature passed the Industrial Disputes Investigation Act [IDIA] in 1907, which provided for compulsory investigation. There was a mandatory "cooling off" period during which strikes and lockouts were prohibited. This lasted until a tripartite board completed a compulsory investigation and issued a report. There was no compulsion for the parties to recognize each other or to accept the terms of the report. This Act applied to key "public utilities," such as coalmining, whose uninterrupted operation was essential or had certain monopoly-like characteristics.

⁴⁹Patmore, *Australian Labour History*, 111.

⁵⁰*Lithgow Mercury*, 16 September 1902, 30 January 1911.

While the Act did not directly cover other industries such as the iron and steel industry, parties in these industries could invoke the Act's provisions if both parties agreed. Nova Scotia passed the first compulsory industrial arbitration legislation in the industrialized world industry in 1888 and 1890 to deal with wages disputes in the mining industry. There was a board consisting of representatives of workers, representatives of employers, and an impartial chair. One party could initiate proceedings and the awards were legally binding. There was no recognition of unions in the legislation. However, this legislation was not successful and was only used on three occasions before its repeal in 1925. Nova Scotia also passed a Conciliation Act in 1903, modelled on the federal legislation, but with a provision for a decision by an arbitrator or conciliation board to be binding on the parties to the dispute. This legislation also did not provide any special role for trade unions.⁵¹

While the legislation appeared to be impartial in dealing with conflicts between labour and capital, in practice it assisted the growing power of Canadian capitalists. W.L. Mackenzie King, who was federal Deputy Minister of Labour from 1900 and Minister from 1908 to 1911, played a crucial role in shaping federal intervention into industrial relations during this period. As the government's chief conciliator, his primary concern was with restoring labour peace rather than the justice of the unions' demands. Mackenzie King based any settlement on the employers' assessment of the financial position of the company and was not sympathetic to disputes over union recognition. The federal government refused to shift the balance of power to unions, and the vast majority of disputes in which King was involved favoured the employer.⁵²

The federal legislation negatively affected unionism at the Sydney plant during the June-July 1904 strike. On June 1 the Sydney Board of Trade, which is the equivalent of an Australian Chamber of Commerce, requested that the federal Minister of Labour intervene under the provisions of the federal 1900 Conciliation Act. The Minister, however, rejected the initial request due to the opposition of the PWA and DISCO. The PWA only agreed to federal intervention on 16 July as the situation for the strikers began to deteriorate and after the federal government rejected the union's proposal for a Royal Commission into the dispute. King arrived in Sydney on 19 July to mediate, and he interviewed management and the PWA. He was able to draw up a four-point settlement that ended the strike. While the settlement

⁵¹Craven, "An Impartial Umpire," 420-435; *Labour Gazette*, December 1903; R. Mitchell, "Solving the Great Social Problem of the Age: A Comparison of the State Systems of Conciliation and Arbitration in Australia and Canada," in G.S. Kealey and G. Patmore, eds., *Canadian and Australian Labour History: Towards a Comparative Perspective* (Brisbane 1990), 47-80; J. Webber, "Compelling Compromise: Canada Chooses Conciliation over Arbitration," *Labour/Le Travail*, 28 (Fall 1991), 15-57.

⁵²Craven, "An Impartial Umpire," 368-369; J. Fudge and E. Tucker, *Labour Before the Law: The Regulation of Workers Collective Action in Canada, 1900-1948* (Toronto 2001), 40-41; Palmer, *Working Class Experience*, 162-163.

claimed that there would be no discrimination against PWA members and strikers, King negotiated a secret deal that blacklisted 28 union activists. He also did not challenge DISCO's decision to withdraw recognition from the PWA, which reinforced management's preference for dealing with committees of workers. The federal government, through King, assisted the demise of the PWA at the Sydney plant.⁵³

The June-July 1904 strike also highlighted the impact of state repression in Canada on trade union membership. Despite the "velvet glove of conciliation," the Canadian state was willing to use a "mailed fist" to assist the growing power of Canadian capitalists.⁵⁴ While police played a role in major disputes at the Lithgow and Sydney plants, the Canadian military also confronted strikers during the 1904 strike. The 1868 federal Militia Act obliged the senior local militia officer to intervene in a "riot" if requested to do so by local municipal officials. Many militia units were poorly armed and provisioned and were frequently not paid by the municipality as required by law. In 1877 the Canadian federal government did amend the Militia Act to provide federal funding of the militia if the dispute affected mail services or was federal in origin. In comparison to the United States, violence was rare, and the militia, with one possible exception, never fired upon strikers, but did intimidate picketing workers by drawing bayonets. Between 1900 and 1904 the Canadian local authorities called the militia out on eight occasions to deal with strikes.⁵⁵

The militia played an important role in the defeat of the PWA in the June-July 1904 strike. When local police were unable to escort strikebreakers through the picket lines, local officials on 4 July called for the intervention of the Sydney 17th Field Battery and a company of Argyle Highlanders. The city authorities also brought 240 armed troops from Halifax to help. Later regulars were brought from Québec to ensure that the militia members would not be absent from their regular employment for any length of time. The militia marched through the streets and met the strikers with fixed bayonets. The PWA called repeatedly for its members to offer no resistance and from 7 July the strikers did not try to stop anyone entering the plant. DISCO was able to recommence operations in most departments. As a consequence PWA members were demoralized and some strikers returned to work criti-

⁵³*Labour Gazette*, July 1904, August 1904; Canada, "Report of the Department of Labour for the year ending June 30 1905," *Sessional Papers*, 1906, Vol. 14, Sessional Paper No. 36, 33-34; NAC, Labour Canada [hereafter LC], RG27, Vol. 69, Reel T-10083, File 222(7), Telegrams, S. P. Challoner to W. Mulock, 1 June 1904, W. Mulock to S.P. Challoner, 4 June 1904, W. Mulock to J. Moffatt, 14 July 1904, W.L. Mackenzie King to W. Mulock, 22 July 1904.

⁵⁴Palmer, *Working Class Experience*, 163.

⁵⁵Fudge and Tucker, *Labour Before the Law*, 43-44; D. Morton, "Aid to the Civil Power: The Canadian Militia in Support of Social Order, 1867-1914," *Canadian Historical Review*, 51 (1970), 407-425.

cizing the PWA's change of tactics. The PWA leadership feared that any violent confrontation would enhance community opposition to the strike. They protested to the federal government against military intervention, but the Minister of Labour pointed out that military intervention was the responsibility of local officials. The withdrawal of the militia was one of the terms of the strike settlement. The PWA leadership blamed the state for its defeat.⁵⁶

In one instance federal legislation did have a positive impact on trade unionism at the Sydney plant. In April 1914 the International Brotherhood of Electrical Workers started to organize the Sydney plant. DISCO moved to disrupt the organizing campaign by dismissing union members, including the president and the treasurer of the local. The union successfully applied for a board under the IDIA in June 1914 to examine allegations of union victimization against DISCO. The company claimed they dismissed the electricians because of a slump in production. As a result DISCO agreed in August 1914 to re-employ the dismissed electricians, "as soon as possible," and establish a grievance procedure that went right up to the chief executive of the company. Despite the qualified re-employment, the Sydney Trades and Labour Council delegates viewed the agreement as "a satisfactory ending of the difficulty."⁵⁷

The Lithgow workers operated in a far more sympathetic political climate than their Sydney counterparts. From the 1890s most Australian unionists took the view that the undue influence of employers on the state would end if labour directly won representation in parliament. In New South Wales the Labor Party first contested the Legislative Assembly elections in 1891 and won 35 out of 141 seats. It held the balance of power in New South Wales from 1899 to 1904 and formed two minority federal governments before 1910, when the Party won majority government both in New South Wales and at the national level. Against the background of its ascendancy in Australia, the Labor Party gained control of Lithgow Council for the first time on 28 January 1911, winning eight out of twelve seats. An important part of Labor Party policy was the nationalization of monopolies such as the Lithgow Ironworks. By contrast there was no similar Labor Party at either the municipal, state, or federal levels for the Sydney steelworkers. In the wake of the 1904 strike the PWA did sponsor an Independent Labour Party candidate for the constituency of Cape Breton South, which included Sydney, in the November 1904 elections. The victorious Liberal Party candidate won 3,459 votes, while the Labour candidate won 869 votes and lost his deposit.⁵⁸

⁵⁶Crawley (1980), "Class Conflict," 114-119, 130; Crawley (1990), "Class Conflict," 162-163; *Labour Gazette*, August 1904; NAC, LC, RG27, Vol. 69, Reel T-10083, File 222(7), Telegrams, J. Moffatt to W. Mulock, W. Mulock to J. Moffatt, 14 July 1904.

⁵⁷*Labour Gazette*, September 1914; *Sydney Record*, 24 June 1914; BI, STLC, MG19/26, minutes, 15 May 1914, 14 August 1914.

⁵⁸MacEwan, *Miners and Steelworkers*, 17-18; Patmore, *Australian Labour History*, 74-82; Patmore, "Localism," 64-66.

The benefits of sympathetic Labor Party governments for the Lithgow iron and steel workers came to the fore during the 1911-1912 Lithgow Ironworks strike, when the fledgling Lithgow Branch of the FIA clashed with Hoskins. The Lithgow Council was generally sympathetic to the strikers, authorizing a public meeting in Lithgow Park and inspecting strikebreakers' barracks for breaches of health and housing regulations. To Hoskins's detriment, the federal and state Labor governments intervened in the strike.⁵⁹ From the beginning of the strike, labor parliamentarians criticized Hoskins. The NSW minister for labour and industry stated that "Hoskins must accept responsibility for this trouble."⁶⁰ Hoskins further angered the Labor Party by sending a telegram of support to the NSW Leader of the Opposition during a political crisis when the Labor Party lost its narrow majority in the Legislative Assembly in late July. The NSW Labor Government tried unsuccessfully to resolve the dispute through the establishment of a special wages board and the direct intervention of Premier McGowen and Labor ministers. Hoskins refused to meet the strikers' demand that all strikebreakers be removed.⁶¹

The federal and state Labor governments moved against Hoskins. On 30 September 1911 the NSW Attorney-General released John Dixon, the secretary of the Lithgow Branch of the FIA, after eleven days in Darlinghurst jail. The Industrial Arbitration Court had sentenced him to two months of hard labour for breaching the anti-strike provisions of the 1908 Industrial Disputes Act. The NSW Labor Government also set up a Royal Commission to investigate whether Hoskins's government contracts were in the public interest and to explore the future prospects of the NSW iron and steel industry. Charles Hoskins criticized the closed hearings of the Commission and walked out of the inquiry in protest of its procedures. The Royal Commission found that Hoskins had breached government contracts by substituting German steel for steel made from Australian iron ore. It also revealed that his company dispatched material to the government despite being condemned by the government testing engineer and that a government testing engineer had been compromised by financial obligations to Hoskins. Based on the report, which Hoskins condemned as "entirely one sided," the NSW government cancelled its contracts on 29 November 1911 and delivered a severe financial blow to Hoskins. The Federal Labor Government also embarrassed Hoskins by investigating his pig iron bonus claims. It was found that Hoskins had substituted cinder and slag for Australian iron ore and unlawfully obtained approximately £10,252 in bonus. The federal government temporarily suspended the bonus.⁶² Hoskins later noted "that both the

⁵⁹Patmore, "Localism," 70.

⁶⁰*Lithgow Mercury*, 26 July 1911.

⁶¹Patmore, "Localism," 69.

⁶²Patmore, "Localism," 68-69.

federal and state governments have done everything in their power to destroy our firm.”⁶³

Ethnicity

As noted previously Australian governments through restrictions on entry and immigration policy ensured a relatively homogeneous labour force of British descent. Not surprisingly the workforce at the Lithgow plant was more ethnically homogeneous than the Sydney plant. Management mainly hired from within Australia and recruited skilled labour from the UK if necessary. In 1900 Sandford directly recruited two Welsh furnace men to operate his new steel furnace. During the period 1905-1910 Sandford and Hoskins imported under contract 37 British iron and steelworkers, including blast furnace men, puddlers, and sheet rollers.⁶⁴

The Sydney plant recruited a variety of immigrants including Newfoundlanders, Italians, Hungarians, and African American workers from the United States. Anglo-Saxon workers from the United Kingdom and the United States tended to have skilled jobs. Other immigrants filled the lowest paid and most dangerous jobs in areas such as the blast furnaces, where in 1910 they constituted 74 per cent of the workforce. In 1910 approximately 60 per cent of the Sydney plant workforce were immigrants. DISCO employed agents to recruit immigrant workers, usually with misleading promises. It used several United States railway agencies in Birmingham, Alabama, and Baltimore to recruit and transport African American workers. The company took advantage of rivalry between these agencies to reduce recruitment costs. There was competition between immigrant groups for the unskilled work that fuelled ethnic rivalry.⁶⁵

The immigrant workers faced antagonism in the broader community and at work. Housing shortages forced immigrant labourers to live apart from locals in unsanitary shacks supplied by DISCO at Whitney Pier near the plant. Some company houses for African American workers had no floors and gaps in the walls made them virtually uninhabitable during winter. The immigrant unskilled workers were transient and few of them stayed long in Sydney. By contrast the housing for skilled and semi-skilled workers of Anglo-Celtic background consisted of company hotels or substantial houses in the Sydney suburb of Ashby. Antagonism between Sydney

⁶³Mitchell Library, Sydney, Australia, MSS 4361, Box 1, Letter, C.H. Hoskins to T.A. Dibbs, 20 June 1912.

⁶⁴*BHP Review*, February 1939; L. Layman, “To Keep Up the Australian Standard: Regulating Contract Labour Migration, 1901-1950,” *Labour History*, 70 (1996), 25-52; *Lithgow Mercury*, 19 January 1900, 24 April 1906.

⁶⁵Crawley (1990), “Class Conflict,” 152-154; R. Crawley, “Off to Sydney: Newfoundlanders Emigrate to Industrial Cape Breton, 1890-1914,” *Acadiensis*, 27 (Spring 1988), 27-51; E. Beaton, “An African-American Community in Cape Breton, 1901-1904,” *Acadiensis*, 24 (Spring 1995), 69-97; “Report of the Commission on Hours of Labour,” 66, 69.

residents and the newcomers was fuelled by press reports of drunken immigrants fighting among themselves. There were also racist sentiments. African American workers were described as “foul-mouthed niggers,” in one letter to the *Sydney Post*. Sydney newspapers portrayed Italians as stupid, immoral, violent, and carriers of diseases such as smallpox. Locals claimed that DISCO discriminated against Canadian workers in favour of immigrant labour. DISCO denied these allegations, claiming that neither “nationality nor religion” was a factor. However, work practices differed between ethnic groups. In October 1901 African American iron carriers and sand cutters on the No. 3 blast furnace worked in smaller groups but for higher pay than white workers at the other blast furnaces. Management claimed that they could get more output from the African American workers despite the smaller numbers.⁶⁶

Immigrant workers formed ethnic associations and were willing to take industrial action. As in the US steel industry, immigrant workers sought to ease the individual risks associated with illness and accidents by forming self-help organizations to assist each other. Italians formed benefit societies in 1902 and 1912, while Polish immigrants formed the St. Michael’s Benefit Society in 1909. These benefit societies reinforced ethnic networks. In March 1903 over 300 Italians and Hungarians struck for increased wages, partially because of an increase in the price of Italian bread. The strikers also complained that they were hired on the basis of a nine-hour day but were working ten hours. They announced that they had their own unions, and formed pickets which were directed against Italian and Hungarian strikebreakers rather than “English” labourers. Several Newfoundlanders also joined the strikers. Police officers used clubs to disperse the crowd and injured strikers. DISCO dismissed the strikers and removed them from their company-owned shacks. Many of the strikers had to leave Sydney to find alternative employment. Hungarians, Italians, and Newfoundlanders also participated in the June-July 1904 strike by joining picket lines and arming themselves with clubs and bludgeons.⁶⁷

Despite this militancy, unions showed little interest in the immigrant workers and exacerbated ethnic divisions in the Sydney plant workforce. Since its foundation the PWA had fought to limit the use of immigrant or “foreign” labour in coal-

⁶⁶Beaton, “An African-American Community,” 70, 81; Beaton, “Thomas Cozzolino,” 42-43; BI, Dominion Iron and Steel Corporation collection [hereafter DISCO], MG14/38/3, Letter, J.H. Means to D. Baker, 28 October 1901, Dominion Steel and Coal Company collection [hereafter DOSCO], MG/14/26/B (iv) I, File 1, Letter, J.H. Means to D. Baker, 25 January 1903; Crawley (1990), “Class Conflict,” 151-154; Heron, *Working in Steel*, 78-79.

⁶⁷Beaton, “Thomas Cozzolino,” 43-44; E. Beaton-Planetta, “A Tale of Three Churches: Ethnic Architecture in Sydney, Nova Scotia,” *Canadian Ethnic Studies*, 16 (1984), 89-110; Brody, *Steelworkers in America*, 101-102; Crawley (1990), “Class Conflict,” 156-157, 162; *Sydney Post*, 20 February 1902, 20 February 1903, 3 March 1903; *Sydney Record*, 2 March 1903.

mines. Anglo-Saxon workers dominated the Ingot and Thistle lodges of the PWA. They did not give any assistance to the March 1903 strikers or protest against police intervention to break up their picket lines. When the PWA lodges complained about retrenchment at DISCO in November 1903, they focused on the discrimination against Canadian workers in favour of immigrant labour. The PWA's attitude to immigrant workers had implications in the June-July 1904 strike. While some Italians refused to return to work even after the arrival of militia, non-unionist Italians and Hungarians were prominent among those returning to work before the strike had officially ended. The AAISTW, which tried to organize the plant in 1911, distrusted immigrant workers and failed to recruit unskilled workers generally.⁶⁸

Management

Management was sympathetic to trade unions at the Lithgow plant before 1908. William Sandford and William Thornley, who joined the firm from the NSW Government Railways in April 1902 and became general manager in December 1902, were willing to recognize the Eskbank Ironworkers Association. There is no evidence that Sandford and Thornley victimized union activists. Sandford's tolerance of the union continued despite his concern over the financial viability of the plant, particularly with the construction of a new blast furnace, and his belief that his workers' wages were too high to survive import competition. His disquiet over the solvency of the Lithgow plant was such that he bribed three state parliamentarians to ensure that he won NSW government contracts. Sandford was influenced by the political climate. He was aware of the growing power of the Labor Party, which he hoped would nationalize the plant and introduce protection to ease his financial worries. He believed by 1905 that socialism would do the "greatest good" for the "greatest number." Sandford also argued that state ownership of the iron and steel industry was necessary to provide the defence capability for Australia to defeat the growing military power of China and Japan. Thornley was a long-standing member of the Amalgamated Society of Engineers and had informed Sandford upon his appointment that he was a "trade unionist."⁶⁹

Hoskins, who took over the bankrupt Lithgow plant in December 1907, disliked unions and compulsory arbitration. He was an "advocate of the open shop, non-union labour and day-wages."⁷⁰ In contrast to Lithgow the company's Sydney NSW plant was not unionized. Hoskins was hostile to the Labor Party and Hoskins Ltd. donated £50 to the state opposition Liberal and Reform Association in December 1910. He was critical of the Labor Party policy of nationalizing monopolies such as the Lithgow Ironworks. The resignation of Thornley as general manager in

⁶⁸Brody, *Steelworkers in America*, 144-146; Crawley (1980), "Class Conflict," 121; Crawley (1990), "Class Conflict," 157; Reilly, "The Provincial Workmen's Association," 120-124; *Sydney Post*, 17 November 1903.

⁶⁹Patmore, "Union Birth, Growth and Death," 32-33.

⁷⁰Wills, *Economic Development of the Australian Iron and Steel Industry*, 62.

April 1908 further reduced the sympathy of the Lithgow plant management for unionism. As noted previously Hoskins's efforts to make the Lithgow plant solvent increased worker discontent and contributed to the growth of the Eskbank Ironworkers Association in 1908. His lockout in July 1908 failed to defeat the union and led to a fine from the NSW Industrial Court.⁷¹

Unable to defeat unionism in the public arena, Hoskins intensified his victimization of union activists. He contributed to the collapse of the Eskbank Ironworkers Association by harassing unionists such as Herbert Bladon senior. Bladon had been head roller at the Lithgow Ironworks for about fourteen years, served as treasurer of the union, and was the worker representative on the wages board. Hoskins believed that Bladon's mill was overstaffed and threatened Bladon repeatedly with dismissal if he did not keep his mill tidy. Bladon resigned from the Ironworks in August 1908 but remained as employee representative on the wages board until he left Lithgow in April 1909. Hoskins also attempted to weaken the fledgling Lithgow branch of the FIA by refusing to re-employ the branch secretary and denying him entry to the plant after a strike at the blast furnace in February 1911. Several other strikers were denied re-employment. Hoskins's dismissal of a union delegate from the Lithgow Ironworks Tunnel Colliery for attending a Western Miners Union meeting led to the 1911-1912 Lithgow Ironworks strike. During this strike, Hoskins did not discourage strikebreakers from forming their own union, which briefly obtained registration under the NSW Trade Union Act. There are no recorded incidents of victimization after the strike.⁷²

The Lithgow branch of the FIA survived the strike and Hoskins had to continue to deal with a state Labor Government before World War I. Indeed, despite his opposition to nationalization, he approached the NSW Labor Government following its re-election in December 1913 and proposed the sale of the Lithgow Ironworks to the state. Despite considerable capital investment, the Lithgow plant relied upon the federal pig iron bonus to make a profit. BHP also challenged Hoskins's Australian monopoly by establishing a larger and more efficient steelworks at Newcastle.⁷³

With the exception of a brief period, DISCO management were hostile to unions. From the outset DISCO dismissed workers who were viewed as promoting "considerable trouble" for management in its dealings with its employees. In 1901 William McKay was dismissed and removed from the plant for causing a strike at No. 1 blast furnace. However, as the supervisors did the hiring and firing in each department, there was no coordination in recruitment, and the yard-master rehired him. Management dismissed McKay again and blacklisted him. The secret blacklisting of 28 union activists by DISCO was part of the settlement for the June-July 1904 strike and hastened the demise of the PWA. Following the 1904 strike there

⁷¹Patmore, "Union Birth, Growth and Death," 33.

⁷²Patmore, "Union Birth, Growth and Death," 33.

⁷³Patmore, "Union Birth, Growth and Death," 33.

were frequent allegations that DISCO discriminated against union members. One notable case in November 1911 involved DISCO dismissing Harry Van Duren, who was president of the Sydney Trades and Labour Council and a moulder. DISCO dismissed electrical workers because of union activity in 1914.⁷⁴

There were allegations that DISCO operated a system of labour espionage, which Brody noted for the US steel industry “effectively stifled the men” as far as any conversations regarding collective organization.⁷⁵ During the organizing campaign by the AAISTW in 1911, “spotters” or spies were responsible for the dismissal of five union activists. They also followed union organizers as they interviewed workers in their homes. DISCO also employed “spotters” to stand in a line at the entrance to union meetings to intimidate employees. The Trades and Labour Congress of Canada in 1913 made an unsuccessful request to the Canadian federal government for a Royal Commission to inquire into this and other labour practices at DISCO.⁷⁶

Compared to the smaller Lithgow operation, the larger DISCO used its greater resources to establish industrial betterment schemes to promote identification with the company and established grievance procedures which bypassed unions. In January 1903, soon after the establishment of the PWA lodges for DISCO employees, management sponsored the formation of a Workingman’s Club. The Club had its own clubrooms, winter dances and other social events were held, and a sports ground. It fielded baseball, cricket, ice hockey, basketball, and soccer teams for local competitions. The company also established the Dominion Steelworkers Mutual Benefit Society in 1906, which was incorporated by the Nova Scotia legislature, to provide relief for death, illness, and accidents. DISCO provided an office and committee room for the fund. It also contributed up to 25 per cent of the funds, the balance coming from employee members. One of objects of the fund was to promote “goodwill and humanity” in the relationship between employees and DISCO. The society also reinforced management’s disciplinary powers. The rules prevented benefits accruing for employees if there was “improper conduct.” Workers who did not join voluntarily were directly “induced” to join by management. By 30 April 1907 the society had a total membership of 2,651, and by April 1908 “practically every eligible employee” was a member. The company also raised capital through offering debentures to employees, which encouraged “thrift”

⁷⁴BI, DISCO, MG14/38/3, Letters, M. Shiras to C. McCrery, 17 February 1901, J.H. Means to M.C. Scanlon, 4 September 1901, J.H. Means to B. Bryan, 4 September 1901; BI, STLC, MG19/26, minutes, 16 June 1911, 1 December 1911; NAC, LC, RG27, Vol. 69, Reel T-10083, File 222(7), Telegram, W.L. Mackenzie King to W. Mulock, 22 July 1904; *Sydney Record*, 24 June 1914.

⁷⁵Brody, *Steelworkers in America*, 84.

⁷⁶AAISTW, *Journal of the Thirty-seventh Annual Convention*, 9575-9578; NAC, DJ, RG13, Series A-2, Vol. 2352, File 52/913, Letters, J.C. Watters to R.L. Borden, 9 January 1913, G.W. Murray to J.T. Jay, 2 January 1913.

and provided an amount equivalent to “free life insurance” on the death of an employee. Senior management even gave cigars to employees to reward record production levels. DISCO never negotiated a collective agreement with the PWA. The company preferred to deal with employee committees to resolve grievances and not to recognize unions, a position that was reinforced by the company’s victory in the June-July 1904 strike.⁷⁷

There was a brief period when at least one senior manager did show sympathy towards iron and steel unionism at the Sydney plant. Cornelius Shields, who was general manager of the Dominion Coal Company, also became general manager of DISCO in 1902. Shields publicly supported trade unionism, arguing for the right of workers to combine and further their interests. Shields preferred to deal with union committees rather than individual workers. The PWA began organizing the Sydney plant during his term of office. When he left DISCO in April 1903 to become general manager of the Algoma Steel Company at the Northern Ontario town of Sault Ste. Marie, the PWA gave him a public reception. Here he praised PWA Grand Secretary John Moffatt for “not being the ordinary professional labour agitator” and being willing to resolve problems. He gave support to the PWA leadership following its defeat in the June-July 1904 strike.⁷⁸

Community Context

The Lithgow iron and steel workers enjoyed a more supportive community environment than their Sydney counterparts. Resistance by landowners at the western end of the Lithgow Valley to the “unwarranted expansion” of Lithgow reduced the available land for housing in the town. The local élite could not obtain large plots of land and had to live in close proximity to the workers. There was no pre-industrial élite as the town developed from industrialization. The town’s business and social élite were concerned with the narrow economic base of Lithgow and the fragility of local industries. They supported the idea that Lithgow would become the “Birmingham of Australia.” Lithgow had the potential to become a major manufacturing centre with a significantly larger population. The economic growth would benefit the town’s businesses, increase revenue for the Lithgow Council, and improve job security. There was a long tradition of unionism in the Lithgow Valley. The earliest example is coalmining, where the miners at the Vale of Clwydd colliery briefly formed a lodge in 1875. As already noted the first Eskbank Ironworkers Association had been formed in 1882 and revived on several subsequent occasions.

⁷⁷BI, DOSCO, MG/14/26/B (iv) I, File 3, Letters, E.L. Gilpin to J.C. Mackley, 13 June 1911, C.S. Martin to J.C. Mackley, 5 May 1913; Crawley (1990), “Class Conflict,” 155-157; *Labour Gazette*, August 1904, June 1906, January 1907, June 1907, July 1908; *Sydney Post*, 3 January 1903, 5 January 1903, 6 May 1903, 22 May 1903, 20 October 1903, 3 December 1903, 11 January 1904, 28 March 1904; *Sydney Record*, 17 June 1911.

⁷⁸Crawley (1980), “Class Conflict,” 133; *Sydney Post*, 20 February 1902, 2 April 1903, 13 April 1903, 29 May 1903.

This tradition encouraged the local élite to work with trade union leaders in coalitions to promote the town and to be sympathetic to workers' grievances. The union tradition in Lithgow assisted organization of labour.⁷⁹

To promote economic prosperity, the business élite and labour leaders particularly focused on the iron and steel industry. In February 1904 Lithgow Council agreed to cooperate with the Eskbank Ironworkers Association in an approach to the prime minister to have a bonus on iron production. When the Commercial Banking Company of Sydney NSW foreclosed on Sandford's mortgage and retrenched most of his workers in December 1907, the Lithgow Council, the Eskbank Ironworkers Association, and Lithgow Progress Association participated in a public meeting and organized a deputation to the NSW premier. In 1909 the editor of the *Lithgow Mercury*, representing a town committee formed by the local élite to promote the Lithgow Ironworks, and an Eskbank Ironworkers Association official produced a four-page pamphlet calling for the passage of a Bonus Bill by federal parliament. This tradition of cooperation clashed with Hoskins's anti-unionism.⁸⁰

Retailers and professionals were sympathetic to workers during the 1911-1912 Ironworks Strike. Prior to the strike there was local press criticism of Charles Hoskins for his hard-line approach to industrial relations and his treatment of workers. Lithgow labour and business leaders considered Hoskins to be an "outsider" who failed to understand local custom and practice. During the strike local cinemas held benefit nights. The union defence committee issued relief coupons that were accepted by 30 retailers and professionals. Towards the end of the strike the *Lithgow Mercury* and prominent citizens had joined the call for the nationalization of the Lithgow Ironworks.⁸¹

The Sydney steel workers and the PWA did not enjoy the local support of their Lithgow counterparts. Although PWA coalminers in nearby communities supported the organizing efforts of steelworkers, particularly during the 1904 strike, the transient nature of immigrant unskilled labour weakened the links between workers and the local community in Sydney.⁸² While the PWA organized the Cape Breton collieries, there was no established tradition of trade unionism in Sydney prior to the arrival of DISCO. John Flett, an AFL organizer, noted in September 1901 that, despite the influx of skilled labour into Sydney to staff the new steel plant, "there has not been one union organised, nor has an organiser paid that town a visit."⁸³ Interna-

⁷⁹A. Cremin, "The Growth of an Industrial Valley: Lithgow, New South Wales," *Australian Historical Archaeology*, 7 (1989), 35-42; R.J. McInnes, "Lithgow, 1869-1930: An Outline Economic History of the Town," undergraduate essay, University of New South Wales, 1972, 2-3; E. Ross, *A History of the Miners' Federation of Australia* (Sydney 1970), 40-43.

⁸⁰Patmore, "Localism," 64.

⁸¹McInnes, "Lithgow, 1869-1930," ch. 5; Patmore, "Localism," 67, 70.

⁸²Heron, *Working in Steel*, 78-79.

⁸³John Flett, cited in R.H. Babcock, *Gompers in Canada: A Study in American Continentalism Before The First World War* (Toronto 1974), 46.

tional unions did eventually establish locals in Sydney and formed a local trades and labour council on at least two occasions, but they did not present a challenge to DISCO. The 1910 Nova Scotia Commission of Inquiry into Hours noted that unionism in Sydney was hardly a “factor in the industrial situation.”⁸⁴

Like their Lithgow counterparts the Sydney social and economic élite promoted new industry to boost the local economy. They believed their town would become the “Glasgow of Canada.” Sydney Council gave DISCO a 480-acre land grant and paid \$85,000 in compensation to the landowners. The Nova Scotia legislature also enabled the Sydney Council to exempt DISCO from all local taxes for a period of 30 years. DISCO certainly expanded the local economy, with wages totaling \$1.6 million in 1904, and provided local services such as the first hospital for the general public. The local élite and DISCO management developed close social ties through the exclusive Royal Cape Breton Yacht Club, which received donations from the company. There were no attempts to form coalitions with the PWA to promote the Sydney plant, even though the union participated in a Mercantile Fair to celebrate Sydney business in September 1903. DISCO employees were also physically separated from the older parts of Sydney by the DISCO plant and Muggah’s Creek. They were further divided into ethnic enclaves.⁸⁵

The inability of the PWA to gain broader community support was a major problem in the June-July 1904 strike. Even before the strike began, there was tension between the PWA and the local élite. One of the reasons that the PWA did not strike over the wage cuts in December 1903 was an undertaking by the business community and Sydney Council to reduce prices and rents to compensate for the wage reductions. Some retailers did reduce their prices, but PWA members believed that the promise was not kept. During the strike local retailers, clergy and municipal officials called for state intervention to settle the dispute despite union opposition. On 1 June the Sydney Board of Trade asked for the federal Minister of Labour to intervene. As the strike progressed, the business community explicitly gave its support to DISCO due to the immediate impact of the strike on local business revenue and a belief that the company brought them economic prosperity. After meeting the president of DISCO on 21 June, the Sydney Board of Trade called for the city of Sydney to do all in its power to protect strikebreakers and recommence production. Local officials played a pivotal role in weakening the PWA during the strike. The mayor of

⁸⁴E.J. Shields, “A History of Trade Unionism in Nova Scotia,” MA thesis, Dalhousie University, 1945, 13; “Report of the Commission on Hours of Labour,” 128-129; *Sydney Post*, 8 June 1903, 30 September 1903, 22 October 1903, 19 July 1910; *Sydney Record*, 6 July 1904, 14 July 1904.

⁸⁵Beaton, “An African-American Community,” 81-87; Beaton-Planetta, “A Tale of Three Churches,” 90; D. Pickup, “The Development of Sydney (1900-1914),” undergraduate essay, St. Francis Xavier University, 1972, 1-2; *Sydney Post*, 25 July 1902, 6 August 1902, 2 March 1903, 3 September 1903, 22 October 1903; C.W. Vernon, *Cape Breton, Canada, at the Beginning of the Twentieth Century: A Treatise of Natural Resources and Development* (Toronto 1903), 211, 252.

Sydney, in response to appeals by DISCO for police protection, swore in all strike-breakers as special police officers. Local officials made the decision to bring in the militia. While the PWA attempted to win middle-class support by restraining members from violence, it may have intensified local opposition. PWA Grand Secretary Moffatt threatened to open a union store if the local business community did not support the strike.⁸⁶

Conclusion

From 1900 to 1914 Canada was undergoing a “second industrial revolution” which saw a massive expansion in industrialization and the growing concentration of capital. Capitalists determined to gain access to growing product markets turned to new technology and labour strategies such as scientific management and industrial betterment to discipline their workers. They had little sympathy for organized labour. They found a sympathetic state in dealing with their labour problems and recruited immigrants from Britain, the US, and Europe to meet their demands for labour.

Australian economic performance by comparison was sluggish. It lagged behind Canada in industrialization and the concentration of capital ownership. Immigration was important, but Britain provided Australia with the overwhelming bulk of its immigrants. Manufacturing was on a small scale and largely concerned with import substitution. The labour movement gained significant strength both industrially and politically. Unlike Canada, a Labor Party formed governments at both the federal and state level by the outbreak of World War I. State intervention through compulsory arbitration was more favourable to unions.

Within this context, this paper has focused on the iron and steel industry in Australia and Canada. The steel industry highlighted the differences between the political economy of the two countries. In Australia there was one relatively small family-owned iron and steel producer, which faced major import competition particularly from British steel products. By contrast, four corporations dominated the larger Canadian market. They were not solely concerned with import substitution but looked overseas for export markets. The larger Canadian corporations generally used more sophisticated technology and labour strategies than those of their Australian counterparts.

This article has explored the fortunes of trade unions at one iron and steel plant in Australia and another in Canada during this period. In the absence of systematic and reliable data the study uses qualitative methods to explain the varying experience of unionism at the two plants. While there may be a variety of variables that

⁸⁶Crawley (1980), “Class Conflict,” 105-108; Crawley (1990), “Class Conflict,” 158-164; *Labour Gazette*, July 1904; *Sydney Post*, 30 November 1903, 4 December 1903, 22 January 1904; NAC, LC, RG27, Vol. 69, Reel T-10083, File 222(7), Telegram, S.P. Challoner to the Minister of Labour, 1 June 1904.

explain trade union growth, this article has focused on four issues: state, ethnic diversity of the workforce, management, and community or locality. Both industrial relations scholars and labour historians have suggested that the first three may be important factors at a national level that may explain the different levels of unionization, while Australian labour historians have recently focused on community or locality as an important factor at the local level.

Overall, the state had a more positive impact on trade unionism at the Lithgow plant compared to the Sydney plant. This paper supports Western's view that the presence of working-class political parties in governments has positive implications for union organization. This positive impact can even extend to the plant level. The Labor Party governments provided a sympathetic political climate for the Lithgow branch of the FIA, particularly during the crucial 1911-1912 strike.

If the Lithgow experience reinforces the view that the benefits of compulsory arbitration have been exaggerated, the labour legislative context was more supportive for the Lithgow plant than the Sydney plant. Features of compulsory arbitration such as preference to unionists appear to have had little impact on trade union membership. Compulsory arbitration did not guarantee the survival of the Eskbank Ironworkers Association. However, compulsory arbitration was a major impetus for the formation of unions and decisions concerning coverage. The Canadian federal and provincial conciliation legislation in practice generally favoured employers. It did not assist unionization at the Sydney plant during the major strike in 1904 and reinforced the destruction of the PWA by DISCO.

The Sydney plant experience also highlights the significance of Kelly's arguments concerning the impact of state repression. If the "velvet glove" of state conciliation failed to stop labour unrest, Canadian capitalists could rely on a show of military force to defeat strikers. The militia interventions in the 1904 Sydney strike intimidated the PWA and broke the strike by allowing DISCO to use strikebreakers. The presence of militia highlighted the costs of collective action and weakened employee perceptions of the benefits of union organization. Sydney plant workers would not significantly organize again until World War I.

The question of ethnic diversity was significant at the Sydney plant. Immigrant workers were ostracized both inside and outside the workplace. They were the subject of complaints by Canadian workers for receiving special treatment in both recruitment and retrenchment. There is some evidence that DISCO exacerbated ethnic divisions in the workplace by providing different wages and working conditions. While these workers were willing to take industrial action and joined PWA members during the June-July 1904 strike, the PWA failed to demonstrate the "comprehensive unionism" necessary for class solidarity. The union raised issues such as retrenchment on behalf of Canadian-born workers rather than immigrant workers. This attitude assisted the collapse of the union in the June-July 1904 strike.

The experience of the Sydney and Lithgow plants reinforces the need to look at the impact of management attitudes towards unions on union growth. Workers

formed the Eskbank Ironworkers Association and the PWA lodges at DISCO in a climate of sympathetic management. While there may have been questionable motives, such as Sandford's desire to have the Labor Party ease his financial burdens through nationalization or protection, these managers adopted a pluralist frame of reference that accepted unions as legitimate. Sandford and Thornley persisted with their views at the Lithgow plant despite their financial concerns. At both the Sydney and Lithgow plants less sympathetic management weakened unionism through victimization. As a large corporate enterprise DISCO had sufficient resources to engage in "peaceful competition" through benefits and social clubs. There were limitations on management at Lithgow. When Hoskins attempted to destroy the Lithgow Branch of the FIA in the 1911-1912 Lithgow Ironworks Strike, unsympathetic Labor governments thwarted him. Indeed in the wake of the strike Hoskins became less belligerent towards the FIA as he tried to persuade the NSW Labor Government to nationalize his plant.

This paper has also highlighted the spatial dimension of trade unionism. The Lithgow plant operated in a community which had a long tradition of labour organization. This helped union organizing and encouraged even the local élite to see unionism as part of custom and practice. Such community support played an important role for the Lithgow workers in public and collective confrontations such as the 1911-1912 strike. It was less effective against more individualized and subtle anti-union tactics such as victimization. There was no tradition of labour organization in Sydney, a pre-industrial centre before the arrival of DISCO. The established élite had little sympathy for unions and interacted with DISCO management through institutions such as the Royal Cape Breton Yacht Club. They saw DISCO as the source of their prosperity. The greater sympathy of the local élite for workers in Lithgow can also be explained by the land shortages in Lithgow that led them to live in close proximity. DISCO employees were physically separated from the older parts of Sydney and further divided into ethnic enclaves, where many transient unskilled immigrant workers resided. Despite the proximity of sympathetic communities of coalminers, this was insufficient to overcome the problems in the local community.

Overall it should not be implied from this paper that unions are the mere products of their environment. As Cooper argues, unionists are active agents in building up working-class organization. They made decisions at the Lithgow and Sydney plants that assisted the birth, growth, and death of unions. The PWA hostility to immigrant labour exacerbated ethnic divisions within the Sydney plant. The decisions of the Eskbank Ironworkers Association and the Blast Furnace Workers Association to broaden their recruitment assisted membership growth at the Lithgow plant. As the 1904 strike at the Sydney plant indicates, there are times, however, when unions have little choice, particularly when faced with state repression. The PWA's decision not to oppose militia intervention with violence led to the collapse of their pickets. The alternative, however, would have led to a loss of life and the possible further alienation of the local élite.

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