The Second Industrial Revolution in Canada, 1890–1930

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In August 1889 a group of English businessmen on a tour of North America missed their train to New York at Niagara Falls. Someone evidently suggested to them that if they were bored with the wonders of the Niagara gorge, they could venture 40 miles back into Canada to visit the bustling factory centre of Hamilton, Ontario, where a summer carnival was in progress. These gentlemen did so, and were so impressed with the city that they stayed several weeks (a decision, I should hasten to add, that would make little sense to most Canadians a century later). They later wrote to the Hamilton Board of Trade recommending more publicity for what the locals liked to call "The Birmingham of Canada." The city fathers followed that advice and three years later produced a large, glossy, well-illustrated publication praising the city’s industrial accomplishments for the benefit of the many travellers expected to visit the 1893 Chicago World’s Fair. Hamilton was one of the largest of several factory towns that had grown up since 1850 in central and eastern Canada during Canada’s First Industrial Revolution, and that lavishly illustrated, boosterist booklet opens a window on the state of industrial development in such communities by the 1890s. Flipping through this publication, the late-twentieth-century reader would be struck not only by the charming elegance of the late Victorian factory architecture, but also by the astonishing variety of products turned out (beer, pork, glass, furniture, cutlery, carriages and wagons, lamps, woodenware, sundry leather goods, vinegar, coffins, pianos and organs, drugs, shoe polish, and countless other goods), by the generally small size of the factories (few had more than 200 employees), and by the prominence of local ownership and control. These were all key features in the first half century of Canadian industrialization. Before considering what was to follow in the next half century in industrial centres like Hamilton, we should pause to assess how far Canada had already leaped into the industrial capitalist age by the early 1890s.

In the first place, the opportunities available to the pioneering industrialists had been almost entirely in the home market. In fact, they had agitated successfully to have a high tariff wall erected around the
manufacturing sector in 1879 in a conscious policy of import substitution. Their strategy for industrial growth had been first and foremost to supply consumer goods to a large agrarian hinterland, which they hoped would continue to expand as the new Prairie region of western Canada was opened up with a new transcontinental railway and new immigration. The federal Conservative government had packaged this industrial development strategy in 1879 as the so-called ‘National Policy’. Yet a decade later the difficulties of settling the West and creating the crucial consumer market were still preventing the fulfillment of that dream of an prosperous, integrated east-west economy.

As the Hamilton booklet revealed, with the important exception of the railways, the driving force behind most of this industrial development had been the individual entrepreneur, his family, and his short-term partners, all strongly rooted in a single town or city. Wealthier capitalists were controlling more of the country’s trade and finance from the metropolitan centres of Montreal, Toronto, Halifax, and Saint John, but there were also still plenty of local merchants and bankers who often helped to promote industrial development in their own communities during these years. As a result of this pattern of entrepreneurship, industrialization before 1890 had been widely dispersed throughout the Maritime and central Canadian provinces (though in Quebec there was more concentration around Montreal), serving regional markets of rural and urban consumers and the expanding transportation sector. Aside from a few textile towns, there was relatively little specialization in the urban development of this first phase of industrialization.

Another pattern dimly evident in the Hamilton booklet was in the modes of production found in Canadian factory life by 1890. Steam power had certainly transformed many industries, but, as in Britain, with the exception of the textile industry, the new technology that it ran was in most cases none too complex. Many industries had moved only a few steps away from handicraft production, and manual labour, both skilled and unskilled, was still heavily in demand. Workshops were still more common than full-fledged factories in most Canadian manufacturing industries. The vigour of organized craftsmen in the new craft unions of the late nineteenth century is therefore not surprising.

Of course, manufacturing was by no means the only, or even the most important, sector in the late-nineteenth-century Canadian economy. It was still a relatively small island in quite a large sea of economic activity directed towards extracting natural resources for foreign markets. In the new industrial age before 1890, Canada’s resource industries had changed considerably. Commercial agriculture had expanded in central Canada through the efforts of thousands of independent farm families, who still comprised by far the largest group of gainfully employed Canadians. Lumbering had replaced timber production as the major forest industry, in response to the rapidly growing demand in urban markets,
especially in the United States. Coal mining had developed into a significant industry at each end of the country, in Nova Scotia and British Columbia, to fuel North America’s new steam-powered industries. Oil was gushing out of many wells in southwestern Ontario. And the same new industrial demands had prompted isolated, largely unsuccessful efforts to mine iron, copper, and other minerals buried in the more rugged stretches of the Canadian landscape north of most areas of settlement. But it is significant that aside from farming (and perhaps coal mining), little of this resource development was linked directly to the National Policy project that shaped manufacturing development. The forest and mining industries existed as a parallel stream of industrial development, most often physically isolated from the factory communities and attuned much more to highly unstable international markets for their products. The patterns of entrepreneurial ownership and limited technological development were nonetheless quite similar to those in manufacturing.

Finally, it is worth emphasizing that, as in most other settler dominions of the British Empire, industrialists had recruited a work force for all this new activity not from an aboriginal population, but from the ranks of new British and American immigrants and the sons and daughters of the settled farming population. Class relations had therefore developed a pattern more similar to those in Britain, Europe, and the United States than to those found in most of the Third World.

At the moment when those English visitors passed through the “Birmingham of Canada,” then, Canada’s industrial economy was relatively small-scale, decentralized, technologically simple, and divided into two quite different spheres — the National Policy economy of agriculture and manufacturing and the resource economy for export — which operated in quite different contexts.

The next half century would see profound changes in the Canadian industrial experience, although some features remained constant. In particular, the general structure of the economy did not change its essentially dualistic shape. The National Policy strategy of manufacturing and agriculture finally became a working proposition as the Prairie West began to fill up with settlers after the turn of the century. These new farmers were sending out bumper crops of wheat by World War I. That economic framework would, of course, collapse completely in the Great Depression of the 1930s, when the bottom fell out of the wheat market. During these same years, natural resources continued to be extracted from the land and shipped out in an unprocessed or merely semi-processed form to foreign markets, especially in the United States.

Yet, within that general framework, the modes of capital accumulation were radically transformed in what amounted to a Second Industrial Revolution. The essential features of this transformation are certainly quite familiar to participants in a conference of this sort; so I will simply summarize quite briefly those that emerged in Canada. I am more interested
in introducing some qualifications to the received wisdom about these changes and in pointing out the ways in which Canada departed from the familiar patterns of industrial development in the age of monopoly capitalism.

Nothing figures more prominently in that early-twentieth-century transformation than the emergence of the large corporation as the driving force of the industrial capitalist economy in Canada. The concentration of ownership and production that came to highlight Canadian economic activity took two forms. The first was the familiar American pattern of the large-scale merger; the second was the creation of brand new corporate megaprojects, often made possible by healthy injections of British and American capital. The railways had already consolidated into two giants by the 1880s, one of which, along with some bankrupt newcomers, would fall into the hands of the federal state by 1920. The economic power of the privately owned Canadian Pacific Railway was truly awe-inspiring: by 1923 the corporation’s diverse investments accounted for 21 per cent of the aggregate assets of the country’s 100 largest corporations. Corporate amalgamations in other sectors took place more slowly than in American industry in the same period. But after a minor flurry at the turn of the century, full-fledged merger mania broke out in the half decade before the war and again in the late 1920s (prompting in 1910 the only state measure in Canada to attempt to regulate the creation of what the Americans called ‘trusts’ — an ineffectual piece of legislation that was seldom invoked). By the 1920s Canadian banks and other financial institutions had been reduced to a mere handful of extremely powerful corporate competitors. Similarly a few electrical utilities empires held control of the new hydro-electric generating and transmission facilities and the urban street railways (until campaigns for public ownership succeeded in breaking the hold of some of these corporations). At the same time, the resource industries, especially those extracting coal and forest products, saw some of the most remarkable concentrations of capital in the first three decades of this century (by the 1920s, for example, one corporation controlled all the coal, iron, and steel production in eastern Canada.) And in manufacturing, large new corporations dominated several product markets, a tendency reinforced by the arrival of scores of branch plants of giant American manufacturing corporations. These American firms were eager to overcome the Canadian tariff barriers, and by the turn of the century they were being welcomed by the civic leaders of manufacturing centres throughout central Canada (like the Birmingham of Canada). As in the other industrial countries that these multinational corporations were penetrating in the same period, American ownership was concentrated for the most part in newer, technologically more sophisticated manufacturing industries, and overall remained an important but distinctly minority phenomenon in Canadian industrial life before World War II.

All of this corporate concentration of both domestic and American
manufacturers brought about remarkable oligopolistic control of many markets by the early 1930s: one firm produced 90 per cent of Canada’s cement; 83—90 per cent of tobacco production, canning, and meatpacking was controlled by two corporations in each case; three firms in each market controlled between 79 and 100 per cent of the output of automobiles, cotton, copper, and electrical equipment; three-quarters of the country’s agricultural implements and rubber footwear were produced by four corporations in each industry; five turned out two-thirds of the rubber tires; five controlled 90 per cent of pulp and paper output; and five had the entire sugar-processing industry sewn up.20 By 1930 control of Canadian industry had become as highly concentrated as almost any other major industrial country — a pattern that has held ever since.

Presiding over this new corporate economy was a tightly knit new national capitalist class based in Montreal and Toronto, with overlapping directorships controlling the major banks, railways, and utilities, and with investments in several of the major resource and manufacturing corporations.21 These men were principally responsible for pulling together a new, more integrated national economy. In place of the decentralized, locally controlled industrial development of the late nineteenth century, Canada’s haute bourgeoisie used their new corporate structures to consolidate production in larger centres, most often in central Canada. The Maritime provinces in eastern Canada were the big losers in this process. Many of their entrepreneurs entered the mergers and allowed the regions’ plants to be closed down in preference to those in central Canada. Other Maritime businessmen simply conceded defeat to their central Canadian competitors. By the 1920s the Maritimes’ economy had come to depend much more on resource extraction, and on supplying labour to other parts of industrialized North America.22 The Prairie West and, for the most part, British Columbia also found their development restricted to extracting and shipping out resources that were at most only semi-processed — products such as canned fish, lumber, or nickel matte.23 The chief beneficiaries of this process of industrial centralization were southern Ontario towns and cities and the Montreal metropolitan area. The geographic concentration was reinforced by the decisions of almost all the American branch plants in manufacturing to locate in central Canada. Within that region, moreover, the many industrially diverse manufacturing towns gave way to a smaller number of more specialized communities whose fortunes revolved increasingly around a single major industry — clothing in Montreal and Toronto, steel and metal fabrication in Hamilton, automobiles in Windsor and Oshawa, rubber goods in Kitchener, electrical parts in Peterborough, and so on. Within the new manufacturing centres, the use of space also changed. The new factories often went up in new industrial suburbs, and much of the older downtown manufacturing went into long-term decline. Similarly, older working-class neighbourhoods were overshadowed by large new residential areas, which
often lacked the former easy proximity to the workplace (hence the growing networks of street railways). Working-class community life consequently had to be rebuilt in many cases.\textsuperscript{14}

The great changes in industrial structure were not simply spatial. The new capitalists and their new corporations also created brand new industries. By the early 1900s Canada was becoming for the first time a major manufacturer of steel, electrical parts, chemicals, and numerous other producer goods, as well as new consumer products like automobiles, ready-made clothing, and processed food.\textsuperscript{2} The dense forests of the uninhabited Canadian hinterland also allowed for the development of a brand new pulp and paper industry, which was turning out one of Canada's leading export commodities by the end of the 1920s.\textsuperscript{16} The rugged northern regions of New Brunswick, Quebec, and Ontario and the interior of British Columbia also became dotted with large new hardrock mining operations to extract minerals hitherto ignored or undervalued — nickel, zinc, lead, copper, gold, silver, asbestos, and so on.\textsuperscript{27} Several new centres of mineral processing grew up in these regions — Bathurst, Sudbury, and Trail, for example.

Overall, it would be difficult to exaggerate the proportions of these changes sweeping through the Canadian economy in the early 1900s. Such major economic growth required new construction project on an unprecedented scale — not merely the rapid expansion of urban residential, commercial, and industrial buildings, but also great extensions of the transportation networks, including two new railway lines across the West. In the years before World War I, Canada was caught up in the breathless exhilaration of a remarkable boomtime.

How, then, would Canadian workers have experienced these great changes of the Second Industrial Revolution? Many of them would have had to travel out to large new industrial suburbs on the outskirts of the industrial centres to look for work, rather than to the more central, downtown areas where nineteenth-century factories and workshops had been located. There they would often have found much larger plants built according to new principles, generally only one storey high and sprawling over acres of land to permit the easier flow of goods through production processes. They might also have encountered a more authoritarian demeanor on the new factory buildings, surrounded as they often were by high fences and guarded by company police.\textsuperscript{26} The most striking changes, however, would have been evident on the job itself.

By the turn of the century, many Canadian industrialist were feeling the quickening pulse of potential profits, but frequently felt constrained by the existing methods of production in their mines and mills. In particular, they were troubled by the high cost, frequent scarcity, and obstreperousness of the many skilled workers they still needed, and by the unreliability and occasional rebelliousness of unskilled labour.\textsuperscript{29} As in the United States, worker resistance and labour scarcity played the major roles in pushing
many Canadian industrialists towards a new organization of production for their new plants. Employers looked to new industrial recruits, new technology, and new methods of managing labour.

After 1900, the Canadian federal government aggressively and successfully promoted large-scale immigration from the United States, Britain, and Europe to fill up the farmlands of the Prairie West. Many of these newcomers were available in the early years of their settlement to work for wages on a seasonal basis. But employers managed to pry open the immigration doors even wider to let in full-time skilled industrial labour, principally from England and Scotland, and increasing numbers of short-time migrants from southern and eastern Europe, most of whom did not plan to stay in Canada and who could be put to work at the hardest, most unpleasant, least skilled work for much cheaper wages. This new work force of highly mobile migrant labourers from peasant backgrounds in Europe was replenished regularly through the networks of ethnic intermediaries who organized the international commerce in migration, connected workers with jobs in Canada as well as the United States, and provided room and board during their stay in Canada. The railways, mine owners, and other western-Canadian employers also reached out to China, Japan, and India for labour, as they had been doing since the late nineteenth century, but a racist backlash from workers in British Columbia forced the federal government to curb the flow of new Asian immigration after 1908. Through their new industrial recruitment policies, Canadian industrialists thus gave the Canadian working class a new ethnic colouring (in Canada we like to use the pretentious word ‘mosaic’).

Recruitment patterns were not all that was changing, however. Canadian employers in this period also put their workers to work on a lot of new machinery. This new wave of mechanization was both part of an accelerated process of diluting craft skill and, in contrast to much of British industry, a major effort to replace unskilled labourers -- massive, electric travelling cranes, small-gauge electric trains, conveyor belts, assembly lines, and, by the end of the period, fork-lift trucks run by gasoline-fuelled combustion engines. Cheap electricity was the key new ingredient that made it so much easier to replace human muscle with machinery. One of the most striking consequences was the rapidly shrinking demand for children in the work force, who had been so important in the First Industrial Revolution. Some Canadian employers also began to turn to university-trained engineers and scientists to help solve specific production problems, improve quality control, and generally introduce more predictability into running an industrial enterprise. These men were injected into the terrain of the craftsmen, who had previously handled many of these concerns independently with more empiricism than formal theory. The Canadian state did its bit to nudge these developments along with relatively modest new technical training programmes in high schools and universities, as well as launching in 1916 what was to become the National Research Council.
Canadian employers also turned to new managerial methods for controlling their workers, following closely the developments in the United States towards more centralised, authoritarian management. The decentralized production systems that had left most shop-floor decision-making with craftsmen, subcontractors, or foremen were disrupted at the turn of the century by the new cost-accounting procedures of so-called 'systematic management'. Before World War I, there were some isolated but highly publicized Canadian experiments with the most sophisticated new managerial systems developed by Frederick Winslow Taylor and his disciples and imitators, and by the 1920s many more firms were buying into these new schemes for centralized planning and scheduling. In general, a more professionalized management, backed by a growing staff of female clerical labour, was taking hold.

So the Second Industrial Revolution in Canada brought together a much more diverse work force in much larger, more mechanized workplace, in more centralized locations, under the control of much more powerful corporate employers. In the process, the occupational structure in that work force had moved away from the late-nineteenth-century pattern of owner, craftsmen, and labourers. Now the blue-collar jobs made up a hierarchy of subtler gradations, shading upward from the more limited numbers of labourers, through a great mass of semi-skilled machine-operators, to smaller numbers of skilled production workers and tradesmen. The expanded managerial function had also created a more differentiated white-collar hierarchy, from foremen through the growing army of clerical workers to top managers. The great gulf between blue and white collar workers that was such a hallmark of twentieth-century working-class formation in Canada as elsewhere had begun to open up. Women now had an expanded role in the waged economy, as their numbers grew in manufacturing, service, and clerical work.

To the well-tuned ear, this may all sound a lot like the story that was unfolding in the United States at the same time — especially the importance of corporate concentration, mass-population methods, and ethnic and gendered recomposition of the work force. In fact, if our British visitors had been able to return forty years after their first visit, they would have found Hamilton's city fathers referring not to the Birmingham of Canada, but to the Pittsburgh of the North. The transformation does seem closer to the American pattern than to the British or European. But let me hasten to suggest some major qualifications both to the general pattern and to the specific Canadian experience.

In the first place, there has been a tendency in North American historiography and social theory to see all this technological and managerial innovation as spelling the end of skill within industry. That perspective seems to me to be overly hasty and poorly documented (it has
been resisted much more vigourously in Britain\textsuperscript{17}). In all the technological change that characterized these years, there was relatively little full-fledged automation (the new automatic looms in the cotton plants were among the few major exceptions.\textsuperscript{18}). In almost all cases, workers were required to activate the new machinery and often to guide its movements. In order to get the maximum production out of this new equipment, employers thus came to rely on the experience, responsibility, and competence of the thousands of new semi-skilled workers, who certainly lacked the occupational qualifications of craftsmen, but were more valuable than labourers.

They also still needed a considerable number of skilled workers, both for maintaining and setting up the machinery and, in many cases, for carrying out some lingering or newly created skilled tasks in the mainstream of the production process — blast-furnace keepers, open-hearth melters, and rollers in the steel industry, paper makers in the pulp and paper industry, tire-builders and pit-men in the rubber tire industry, and so on.\textsuperscript{39} The new machines eliminated labouring jobs, reduced the size of the skilled labour force needed for a large output, and narrowed the range of skills in the workplace. But they did not allow employers to create a new work force of interchangeable parts that could be easily and painlessly replaced at the whim of management. Without this understanding of the ambiguous, unintended consequences of mechanization and managerial innovation in the Second Industrial Revolution in Canada and the United States, two developments are inexplicable: first, the corporations tries hard to hold on to their experienced work forces, especially through welfare programmes that tried to tie workers to their employers;\textsuperscript{40} and, second, a new wave of industrial unionism was able to take off in the 1930s and 1940s. How could workers who no longer had any leverage on the job fight back so successfully? The answer, in part, must be that all their skills and their value to their employers had not been eliminated.

Since the new corporate employers were not able to find a final technological solution to ‘the labour problem’ in this period, they had to put more emphasis on new managerial methods for manipulating the labour power of their workers. We would be quite wrong, however, if we concluded that the managerial solution in Canadian (or American) workplaces lay simply in the hands of white-collared efficiency experts with their stop watches, any more than it did with new machinery. Beyond their general cost-accounting functions, these men had too limited an impact on Canadian factories and were generally useless in the country’s extensive resource industries.\textsuperscript{41} Far more important in solidifying managerial control over this new work world were versions of the more old-fashioned methods of the carrot and the stick. The stick came down hard on Canadian workers in the early twentieth century. The authoritarianism was absolute and probably more potent in the hands of large corporations than it had been with local entrepreneurs. It became a cornerstone of corporate
management in Canada in the early twentieth century to have no truck nor trade with unions of any kind. That meant spying on, firing, and blacklisting any union activists. It meant stonewalling any unions that somehow managed to organize any of the help of imported strikebreakers, professional strikebreaking firms, and federal troops, all which were used much more frequently in Canada in the early 1900s than ever before. It also meant leaving considerable power in the hands of front-line supervisors — the foremen and superintendents. Besides weeding out trouble-makers these shop-floor despots were encouraged to use a kind of regular bullying and harassment of workers to get maximum production that became known as the 'drive method'. In many cases, they also retained effective control over hiring, firing, and promotion, despite the development of centralized employment offices. Favouritism and other abuses were rampant under these circumstances. Much recent writing on the development of North American management in the early twentieth century has overemphasized how much the development of more centralized, professionalized management clipped the wings of these lower-level company officials. In contrast, historians of the North American labour upsurge of the 1930s and 1940s have discovered that a central demand of the new industrial unionism was curtailing the arbitrary power of the foremen and superintendents with new grievance and seniority systems. Before that point, Canadian and American employers still relied on the fear that this blunt, rough-edged supervision engendered to keep their workers in line.

At the same time, however, workers who kept their heads down and their noses clean were encouraged to expect that their corporate employers could meet some of their important material needs. New wage-incentive schemes like the premium bonus and so on promised increased income if workers produced more. Workers could also expect some limited job security and social mobility up a firm's internal job ladders, since the more skilled jobs in the new workplaces tended to be filled from inside the company. Similarly, the new welfare programmes appeared in a few plants before the war and then right across the industrial landscape during the crisis of post-war labour militancy and radicalism. These schemes often appealed to workers' concerns about economic security with such measures as pension plans, life insurance, and occasionally even profit-sharing.

In the final analysis, however, it is the element of fear and insecurity that must remain at the centre of any understanding of early-twentieth-century managerial practices in Canada. The newer features of corporate labour policies — the bureaucracy of 'systematic' or 'scientific' management and the gentler touch of welfarism — had their role, but in the day-to-day administration of the workplace, it was the older methods and incentives that seemed to insure the fullest utilization of workers' labour power. Canadian employers in this Second Industrial Revolution offered their
workers a trade-off based on personal self-interest: in return for complete obedience and passive acceptance of corporate control, the workers got the promise of higher earnings and the possibility of economic security. As a system of workplace discipline and control, it relied most heavily on instilling fear of unemployment and poverty to keep workers' minds fixed on meeting their material needs in this way and to curb any resistance. Unfortunately for Canadian industrialists, many workers found the price of this trade-off too high. Serious working-class resistance to these corporate labour policies consequently did arise, in both individual and collective forms.46

We also have to qualify the impact of the Second Industrial Revolution by considering distinctively Canadian developments. First, the markets for Canadian industrial products had a quite different impact on the country's industrial life from that in the United States. Canadian manufacturers had a much smaller market to rely upon than their American counterparts. They were often hampered in developing the specialized, high-volume mass-production systems that were the hallmark of American industry in the period. Arguably, many more pockets of labour-intensive methods, both skilled and unskilled, survived in the Canadian economy (although there has still been too little careful investigation of these holdouts to be able to say much about them). Certainly, for some industries (like the steel industry), market problems could be crippling, 47 but commentators in the business press saw limited markets as a significant factor for most Canadian manufacturers at some point or other. The resource-extractive industries faced a different problem. Their markets were mostly external and therefore often highly unstable. In fact, the mercurial international market for wheat became the fatal flaw in the National Policy strategy of industrialization. There was consequently a good deal of fragility and instability in the new Canadian economy of the early twentieth century that could both generate plenty of unemployment for workers and narrow some of the options for technological and managerial innovation.

Second, the emergence of the American-style corporation in so many sectors should not blind us to the continuing importance of small-scale employers, especially in manufacturing. In 1930 only a quarter of the employees in Canadian manufacturing were found in factories with more than 500 workers, and more than half worked in plants of less than 200.48 The larger operations undoubtedly accounted for a much larger percentage of output, and there were variations between sectors. But for the Canadian working class as a whole, the smaller plant remained a common experience.

Third, Canada's Second Industrial Revolution started later and was more compressed than the parallel American process, which had a ten-to-twenty-year head start. It was probably not much before 1905 (in some cases, not until after the 1907–9 depression) that the new patterns of industrial life began to become evident on a large scale in Canada. Before
that point, industrial enterprises, especially in manufacturing, still tended
to be smaller and less thoroughly transformed. In 1901 and 1911 Canada's
census-takers found that water wheels still provided a third of the power
supplied to industrial enterprises in the country (the comparable figure for
the United States in 1901 was only 15 per cent).49 Manufacturing
metropolises on the scale of Pittsburgh, Cleveland, Milwaukee, or Detroit
were slower to emerge. Managerial experimentation consequently came
later on the whole, and the importance of applied scientific research for
industry generally remained underdeveloped until the 1920s.50 Moreover,
as the Canadian corporations struggled to catch up, they relied heavily on
imported American managerial personnel. A British commentator who
visited Canada in 1901 found Americans and to a lesser extent British men
in charge of the new corporate concerns and saw no identifiable,
indigenous managerial class in Canada.51 By World War I, workers were
occasionally heard complaining about the 'Yankee methods' of running an
enterprise that their American-born supervisors were
imposing.52 Canadian managers certainly emerged over time, but many of
them had learned their trade at the feet of the American experts. The
recruitment of new ethnic groups was also later, not really taking on
significant proportions until the early 1900, in contrast to the increased use
of such labour in the United States, which dated from the 1880s. This late
start in industrial development arguably made a big difference to class
relations by World War I, since the social and occupational recomposition
of the working class was more recent and perhaps more partial, and
Canadian workers had far less experience under their collective belt at
working and living together and articulating collective concerns within
this new industrial regime. (Certainly that was true in the case I know best,
the steel industry, where the second-generation immigrant population that
investigators discovered was so important in the US steel strike in 1919 was
virtually non-existent in Canada53).

Fourth, the ethnic recomposition of the working class was less far
reaching in most of industrialized Canada than in the United States. The
new immigration form Europe did not hit all industries or communities
evenly. Outside the coal-mining and steelmaking areas of Cape Breton, the
Maritimes were largely bypassed by the newcomers. In central Canada
several cities had small European ghettos where these newcomers
gathered in their tightly-packed boarding houses, but not on the scale of
many American cities in the same period, such as New York, Pittsburgh, or
Chicago. It was in Western Canadian towns and cities where the new
immigration made its greatest impact, particularly in the resource
industries. Across the country, the non-British foreign-born amounted to
only 11 per cent of the population by 1930. In fact, relative to the United
States, it was the many British immigrants, most of whom headed for the
cities rather than becoming farmers, who made the biggest numerical
difference to the Canadian working class in this period.
Fifth, expanding the reserve army of labour in this way was a mixed blessing for Canadian employers. The typical Canadian worker of the early twentieth century was not putting down roots very quickly. There was a tremendous amount of transience across the continent in search of new job prospects. If the work was unpleasant, if production slowed down, or if the spirit of adventure simply heated the blood of this footloose work force, they moved on to the other jobs in other communities. By World War I employers were complaining loudly about this massive refusal to settle down, which had by then been labelled ‘labour turnover.’ It is impossible to fully understand Canadian working-class life or industrial development in the period before 1920 without recognizing how many workers were flooding into the country in a short time and how many were regularly on the move. (Of course, union organizers would find this work force as difficult to hold onto as employers did.)

Sixth, we need to bear in mind the continuing great importance of the resource industries in Canada, where considerable numbers of workers could be found. In those sectors, the technological and managerial thrust of the Second Industrial Revolution remained much more blunted. We should not let the huge new factories in the largest manufacturing centres dominate our vision of Canadian industry or of the Canadian working-class experience. Mining methods remained for the most part only partially mechanized down to the 1920s, and the still craftsman-like world of the independent collier made mining towns regular flash points of industrial conflict. Logging was touched even less by changes in the labour process. British Columbia logging operations introduced the so-called ‘steam donkey’ into four hauling logs out of the woods, but, otherwise, felling and transporting logs was still a seasonal operation and still relied on the kinds of simple saws and axes and human and animal muscle-power that had prevailed since well back in the nineteenth century.

Perhaps even more important was the fact that much of the logging work force disappeared at the end of each season. These workers returned each year to their family farms, many of them marginal, where they were simply re-absorbed into agrarian life. Other industries also used this kind of seasonal and part-time labour, especially in the Maritimes and Quebec. No estimate has yet been attempted of Canadian workers who moved back and forth between these worlds of wage-earning and independent commodity production, but their numbers seem to have been substantial. Certainly the pool of such labour was large, since the rural population in Canada was still a majority until the 1920s. When placed alongside the large numbers of European peasant-labourers who migrated to Canada on short-term sojourns, this part-time, rurally based element in the Canadian work force could provide part of the explanation for the instability and lack of working-class cohesiveness in Canada during these years. The process of using the agricultural sector of small-scale producers to absorb the unemployed and underemployed is also a large
part of the explanation for the extremely limited role of the Canadian state in providing social welfare.

So our British visitors would probably have been quite amazed at the changes that they would have encountered if they had been able to return 40 years after their first sojourn in Hamilton, Ontario. But I hope that they would have been astute enough to note both the eye-catching differences and the partial, incomplete qualities of many of the changes. Canadian capitalists had taken an enormous leap of faith in the early twentieth century when they set out to reshape their methods of capital accumulation by consolidating their resources, expanding into brand new industrial ventures, and creating new production systems. By 1930 they had brought Canada into the big league of industrial nations. But they had had to struggle with serious obstacles. Some were built into the fragile structure of the whole economy. Others results from the incompleteness and unevenness of the innovations in production processes. Still others were the result of human resistance to this transition to monopoly-capitalist industry. The new industrialists had to confront the anger and resentment of small businessmen and of the great mass of Canadian farmers, whose political interventions before and after the war actually posed the greatest threat to the world of Canadian corporate capitalism. But industrialists also had to pull apart the working-class world that had grown up by the end of the nineteenth century and put together a new one. In that process they had to overcome some severe resistance from entrenched workers, especially craftsmen, but also to assemble and marshal effectively a new seasoned, disciplined work force. In the quarter-century before 1920, that proved a difficult process. During those years, the Canadian economy was on a boom-and-bust roller coaster on such an unprecedented scale that there was always an unsettled, tentative quality to industrial life. It was not really until the 1920s that the surging and flowing of humanity across the continent began to subside and many more workers began to settle down in industrial communities. In fact, it was really only in that decade that the great leap of capitalist faith that had brought a Second Industrial Revolution was finally consolidated and legitimized. From that point on, there was no turning back.

Notes

1 Hamilton: The Birmingham of Canada (Hamilton 1892).
2 Glen Williams, Not for Export: Towards a Political Economy of Canada’s Arrested Industrialization (Toronto 1983).
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