

# Fighting the Sweatshop in Depression Ontario: Capital, Labour and the Industrial Standards Act

Marcus Klee

Volume 45, 2000

URI : <https://id.erudit.org/iderudit/11t45art01>

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Éditeur(s)

Canadian Committee on Labour History

ISSN

0700-3862 (imprimé)

1911-4842 (numérique)

[Découvrir la revue](#)

Citer cet article

Klee, M. (2000). Fighting the Sweatshop in Depression Ontario: Capital, Labour and the Industrial Standards Act. *Labour/Le Travailleur*, 45, 13-52.

## Résumé de l'article

Après l'échec juridique et politique du premier Ministre R.B. Bennet et de sa loi pour un New Deal, la lutte pour reconstituer le capitalisme passa aux niveaux provinciaux et municipaux. Les efforts entrepris pour composer avec les bouleversements que la Dépression en Ontario avaient causés se sont concentrés sur « l'exploitation des travailleurs » qui finit par dominer les débats politiques et sociaux après 1934. La Loi sur les normes industrielles de l'Ontario (1935) avait été conçue pour réunir les travailleurs et les employeurs, sous les auspices de l'État, dans le but d'établir le taux du salaire minimum et des normes de travail. L'établissement de codes industriels du genre New Deal était fondé sur le principe de la mobilisation du patronat et des syndicats pour combattre la concurrence injuste, mettre fin à l'expansion du travail subventionné par l'aide humanitaire, et mettre fin à la rapacité du capitalisme dans son exploitation des travailleurs. Bien que la loi sur les normes industrielles n'ait pas apporté de réglementation économique extensive, elle suscita beaucoup d'intérêt, vu les possibilités d'une intervention de l'État. Les travailleurs, dans toute une gamme de métiers allant des ouvriers de l'amiante jusqu'aux employés de la restauration, essayèrent donc de s'organiser en fonction de ces possibilités de la loi. La loi est importante par ce qu'elle révèle sur la nature de l'aide sociale, des gages des travailleurs, du mouvement syndical, du capitalisme concurrentiel, de l'attitude du monde des affaires envers la réglementation industrielle, et du rôle de l'État dans la gestion des affaires collectives du capitalisme. L'histoire de la loi semble en outre indiquer que le « syndicalisme réglementaire », tel que Colin Gordon l'a décrit dans son ouvrage sur le New Deal américain, a peut-être suscité des développements majeurs dans l'histoire sociale, économique et ouvrière du Canada.

## ARTICLES

### Fighting the Sweatshop in Depression Ontario: Capital, Labour and the Industrial Standards Act

Marcus Klee

THE GREAT DEPRESSION was a defining event of the 20th century, coming as the culmination of contradictions building within a maturing capitalist world economy, and serving as the conduit to a post-war order characterized by the prominence of a national welfare state, a commitment to full employment, the ascendancy of Keynesian fiscal policy, demand management, and the establishment and expansion of trade union rights.<sup>1</sup> Economic and political thought was profoundly disrupted as old economic theories failed to explain or remedy the crisis, contributing to a new consensus that "the reconciliation of self interest among millions of individuals was essentially impossible" and "the marketplace could not be left to work the disequilibrium out of the economy."<sup>2</sup> The crisis of the 1930s prompted a

<sup>1</sup> Although John Kenneth Galbraith proclaimed that Canada was perhaps the first country to adopt Keynesian economic policy, Robert Campbell points out that the actual practice departed considerably from the Keynesian prescription. Robert M. Campbell, *Grand Illusions: The Politics of the Keynesian Experience in Canada* (Peterborough, Ont. 1987). For a similar argument in the British context see Kerry Schott, "The Rise of Keynesian Economics: Britain, 1940-64," in David Held *et al.*, *States and Societies* (Oxford 1983), 338-62.

<sup>2</sup> Doug Owram, "Economic Thought in the 1930s: The Prelude to Keynesianism," in Raymond B. Blake and Jeff Keshen, *Social Welfare Policy in Canada* (Toronto 1995), 195.

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reorganization of capitalism which took "a variety of political forms from the New Deal to Fascism."<sup>3</sup>

In Canada, Prime Minister R.B. Bennett's New Deal legislation failed judicial scrutiny and the federal state withdrew from the field of reform. The struggle to reconstitute capitalism thus shifted to the provincial and municipal levels of the state where much innovative legislative and policy development occurred.<sup>4</sup> Reform in Depression Ontario was shaped by the "sweatshop crisis" which dominated political and social discourse after 1934. The ubiquitous practice of extending hours and cutting wages to the point where workers were compelled to both work and draw municipal relief was credited with causing a spiral of wage cutting through industry, and destabilized the market by distorting competition among businesses.

The most obvious solution to the sweatshop crisis would have been to extend the female minimum wage to men. The provincial Conservative government entertained this idea near the end of its term but felt it would overwhelm the enforcement capability of the state.<sup>5</sup> The provincial Liberals, well aware of increasing violations of the female Minimum Wage Act, also felt that a male minimum wage could not be policed. As an alternative they promoted the Industrial Standards Act (ISA), enacted in early 1935, as a means to bring employees and employers together under the auspices of the state to establish minimum wages and work standards. By legislating industrial codes, the Ontario state aimed to mobilize organized capital and organized labour to combat unfair competition, stop the spread of relief-subsidized labour, and halt the predations of sweatshop capitalism.

The idea of market competition, long the ideological underpinning of "free" enterprise and capitalism, crumbled in the face of state intervention that went beyond merely providing for the poor and unemployed. The belief "from time immemorial" that "competition is the life of trade," argued Louis Fine, the officer entrusted with enforcing the ISA, was no longer tenable:

The struggle for life and the race for wealth, coupled with the selfishness of mankind ... went beyond all bounds of decency during the Depression years until the practice in business and

<sup>3</sup> Anne Showstack Sassoon, *Gramsci's Politics* (New York 1980), 208.

<sup>4</sup> R.B. Bennett defined fascism in his radio address as the moment when capitalism controls the modern state. R.B. Bennett, *The Premier Speaks to the People: The Prime Minister's January Radio Broadcasts Issued in Book Form, The Fifth Address* (Ottawa 1935), 14. For a recent re-consideration of patterns of class relations, industrial conflict, and the renewed "search for order" in the 1930s see Marcus Klee, "Between the Scylla and Charybdis of Anarchy and Despotism: The State, Capital, and the Working Class in the Great Depression, Toronto, 1929-1940," Ph.D. thesis, Queen's University, 1998. Also see John Herd Thompson and Allen Seager, *Canada, 1922-1939: Decades of Discord* (Toronto 1985).

<sup>5</sup> Mark Cox, "The Limits of Reform: Industrial Regulation and Management Rights in Ontario, 1930-7," *Canadian Historical Review*, 68, 4 (1987), 557.

conditions of employment have brought us to a state of potential warfare in our struggle for a livelihood.<sup>6</sup>

Few Canadian capitalists would have argued with this assessment; many had already pressured the government to introduce some mechanism to protect them from the dangers of the free market.<sup>7</sup>

When capital's own regulatory schemes, such as combines and trade associations (which actually flourished under anti-trust legislation designed to control monopolistic growth), failed to control what they termed "vicious" or "unfair" competition, they were willing in many instances to follow the state's economic leadership. However, the state had no intention of actually enforcing any of its industrial standards, and turned to business and labour to ensure compliance. As business had already proven itself unable to regulate competition, the only feasible alternative was for unions to enforce the standards. For some unions, including those which were newly organized as well as those which were long established, the ISA opened critical space, and offered a high degree of state support for their reformist and accommodationist philosophy and tactics. The promise of the ISA was less evident to militant and radical unions, although the Act could provide them with a certain degree of legitimacy, and could be used to frame demands and extend class struggle across broad industrial sectors.<sup>8</sup>

The ISA, the subject of numerous historiographic interpretations, was described by the Minister of Labour as "the most controversial piece of legislation now on the Statute Books of the Province"; he woefully acknowledged that it "has been subject to violent attack and equally violent championship."<sup>9</sup> Nonetheless, the Act stands as an important milestone in the development of class relations in the 1930s and offers insight into the shaping of class relations in the post-World War II period.

The 1930s occupies a special place within both the history, and popular historical consciousness, of the 20th century. The rise of what Colin Gordon has called "regulatory unionism" in the 1930s, led to what Kim Moody describes as the "open embrace of the enemy in the daily relationship of labour bureaucracy to corporate bureaucracy."<sup>10</sup> Nelson Lichtenstein's suggestion that every large strike

<sup>6</sup> Archives of Ontario (AO), Department of Labour Files (Labour), RG 7-15-0-72, Louis Fine, Industrial Standards Officer, "Industrial Standards Act, Ontario," 7 December 1936. This open letter was to be used to answer inquiries regarding the Act.

<sup>7</sup> See Alvin Finkel, *Business and Social Reform in the Thirties* (Toronto 1979).

<sup>8</sup> See Ian Radforth, *Bushworkers and Bosses: Logging in Northern Ontario, 1900-1980* (Toronto 1987), 134-144, for a discussion of how the Communist-led Lumber and Saw Mill Workers Union navigated the ISA in northern Ontario in the direction of dues check-off, the free entry of union representatives to the camps, and non-discrimination provisions.

<sup>9</sup> AO, Labour, RG 7-1-0-112, draft of speech by David Croll to be delivered in the legislature 1936 before the passage of amendments to the ISA, 3.

<sup>10</sup> Colin Gordon, *New Deals: Business, Labour, and Politics in America, 1920-1935* (Cambridge 1994). Kim Moody, *Workers in a Lean World: Unions in the International Economy* (London 1997), 274.

is a potential signal that "the dusty, antique world of big time industrial relations, with its emphasis on worker solidarity, collective bargaining, company-wide strikes, and corporate labour strategy" is once again ascendant, conjures up an image of labour relations that draws its inspiration, in part, from the 1930s.<sup>11</sup>

*The Regulatory State and the Politics of Laissez-Faire*

In a convoluted and often contradictory fashion, the ISA set the state upon a course of *unprecedented intervention in the relations of capital and labour that sought to avoid the anarchy of the market and the despotism of state-dictated and enforced prices and wages*. Such state intervention in the economy, and particularly in the operation of the market, was not without historical precedent in Canada. In addition to setting the basic legal framework of capitalist accumulation, directing the financing and construction of infrastructure, and propping up business in times of national emergency or crisis, the state had a long history of directly assisting indigenous capital. Traditionally this intervention took the form of "passive regulation" through protective tariffs, but the government had also acted in setting prices and production quotas for industrial sectors during and immediately after World War I.<sup>12</sup> While there were few calls in the 1920s for a greater government role in the economy, the Great Depression increased expectations of state intervention, at the same time that a strong movement towards "business collectivism," informed by a "corporatist ideology," took root among many Canadian business leaders.<sup>13</sup> Corporations of all sizes urged state action to facilitate "industrial self-government" aimed at stabilizing prices and competition. While businesses re-evaluated the nature of competition, the market and the state, a shift of popular feeling against big business unfolded in response to renegade Tory Minister of Trade and Commerce Harry H. Stevens and his ill-fated Royal Commission on Price Spreads.<sup>14</sup>

<sup>11</sup>Nelson Lichtenstein, "Taft-Hartley: A Slave-Labour Law?" *Catholic University Law Review*, 47 (1998), 763.

<sup>12</sup>Tom Traves, *The State and Enterprise: Canadian Manufacturers and the Federal Government, 1917-1931* (Toronto 1979), 29-54. A classic case occurred in the final years of World War I and through the first few years of the 1920s in the newsprint industry. Insistent and powerful newspaper publishers interested in steady supplies at low cost, pushed the state to set prices and quotas for newsprint sales in Canada.

<sup>13</sup>Michael Bliss, *Northern Enterprise: Five Centuries of Canadian Business* (Toronto 1987), 425.

<sup>14</sup>Richard Wilbur, *H.H. Stevens, 1873-1973* (Toronto 1977), 10-11, 74-77, 104-5. Stevens was an interesting and complex character. He was a Methodist, Orangeman, Mason, and a strong advocate of a "white Canada," who would be drawn to the Tories over concerns for the "moral degeneration" of Canada. In 1902 he worked as a miner near Nelson BC, where he joined the left-leaning Western Federation of Miners, quickly becoming secretary of his union local. He entered federal politics in 1911 and in 1919 he vice-chaired an investigation into the rising cost of living after the war, earning a reputation for his tough questioning of

Prodded and perhaps guided by Warren K. Cook, a wealthy paternalistic Toronto clothing manufacturer and president of the Canadian Association of Garment Manufacturers, Stevens broke party unity and launched a stinging attack on big business in a speech that earned him a standing ovation from the members of the Retail Shoe Merchants and Shoe Manufacturers Association assembled at the Royal York Hotel. Mass buying, which allowed large corporations to drive down the price of goods from their suppliers without passing that savings on to consumers, was the focus of Stevens' speech, although reference to the sweated condition this produced for workers was also reported. Infuriated, Bennett nevertheless surrendered to the evident popularity of Stevens' charges, and appointed him to head a Select Committee which began its hearings on 15 February 1934.

The hearings received immense interest from business, farmers and labour, and reports ran on the front pages of many daily newspapers. The revelation that powerful economic players were abusing smaller competitors, suppliers, and their suppliers' workers, was undoubtedly the most publicized issue of 1934. Many Canadians learned more about the practices of Canadian corporations than they had ever known before. An extensive investigation of company records demonstrated how corporations, such as Imperial Tobacco, paid presidential salaries of \$25,000 a year (plus bonuses ranging from \$32,000 to \$61,000) while large retailers, such as Eaton's and Simpson's, were forcing manufacturers to take the low prices they were offered for their products "out of the hide of the workers."<sup>15</sup>

Despite the attention paid to sweatshops and the occasional reference to relief labour, Stevens' main focus was upon the small businessman hurt by "unfair" competition. Although cast as a populist figure with broad appeal, Stevens was particularly sympathetic to the hardships of small business, and responsive to the Canadian Manufacturers Association's claim that hundreds of small manufacturers were being driven into bankruptcy by the machinations of large corporate entities formed in the merger movement of the 1920s. He followed the development of Roosevelt's New Deal legislation quite closely, and felt that General Johnston's emphasis upon "industrial self-government" (as opposed to direct government control) could be emulated in Canada.<sup>16</sup> Unfortunately for Stevens and his plans,

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profiteering. He was among those in the Party who felt a close tie to the experience and concerns of constituents – he chafed at the arrogance of the "millionaire group," led by Bennett and General A.D. McRae, which dominated the Party after 1926 – but, as Minister of Trade and Commerce, he toed Bennett's line dutifully and publicly urged people to rely upon their own "individual effort."

<sup>15</sup>Wilbur, *H.H. Stevens*, 108-115, 119-121. R.A. Staples, the head of the Minimum Wage Board, was unhelpful (he claimed to be unaware of sweatshops in Toronto). A.W. Laver of Toronto's Department of Welfare reported that several workers were having their full-time wages subsidized by his department, at places such as the highly profitable Canada Packers and Eaton's.

<sup>16</sup>Warren Cook, head of the National Fair Trade Council, led a delegation of small retailers to the hearings, including George Hougham, secretary-manager of the Ontario Retail

his revelations and accusations (particularly his denunciation of Joseph Flavelle) alienated him from the Conservative Party at the same time that his particular critique of big business was forcing a re-alignment in Tory rhetoric.<sup>17</sup>

Although Stevens was displaced from Cabinet and to the sidelines of the Royal Commission, Bennett swung government rhetoric sharply to the left in a series of radio broadcasts proclaiming his "New Deal for Canada." Bennett promised tax changes to equalize inequalities of income, a uniform wage, maximum hours of labour, the abolition of child labour, an end to sweatshop conditions, a permanent system of unemployment insurance, new health and accident insurance, a new old age pension, and a bill to protect producers from monopolistic "economic parasites." The reforms placed the state at the center of the economy because, as Bennett argued, "free competition and the open market place, as they were known in the old days, have lost their place in the system, and ... the only substitute for them ... is government regulation and control." According to Stephen Leacock, who wrote the introduction to the published version of Bennett's first broadcast, "free competition ... was evidently no cure for social injustice, for the starvation of the submerged poor and the intolerable opulence of the over-rich."<sup>18</sup>

Bennett's conversion was opportunistic, insincere and hypocritical (he was an "overly-rich" capitalist himself, owning among other things 51 per cent of the Eddy Company which maintained a total monopoly on matches), and the string of legislation he passed before the election was ill-conceived, poorly drafted, and destined to fail judicial scrutiny. Nor did his theft of Stevens' program prevent defeat to the Liberals in 1935. A victorious Mackenzie King, who offered little in the way of reform promises, quickly disassembled Bennett's regulatory apparatus (including its centerpiece, the National Products Marketing Act) leaving the assault upon competition to continue at the provincial and municipal level for the duration of the Depression.

Many provinces responded to the concerns publicized by Stevens through a variety of attempts to implement their own reforms. Regulatory legislation for retail stores was passed in Alberta and British Columbia to maintain prices and limit competition. Nova Scotia, New Brunswick, and British Columbia regulated the sale of gasoline to prevent excessive prices and the proliferation of inefficient retail outlets. Alberta and Saskatchewan regulated the coal industry (including the setting of prices and wages), while most provinces implemented various agricultural

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Merchant's Association, who urged the establishment of a system similar to the American NRA codes. See also Bliss, *Northern Enterprise*, 425.

<sup>17</sup>Wilbur, *H.H. Stevens*, 166-7. Stevens argued that because 50 per cent of the nation's commercial and industrial wealth was in the hands of twelve men, Canada was headed for rule by a "super-financial or Fascist state."

<sup>18</sup>R.B. Bennett, *The Premier Speaks to the People: The Prime Minister's January Radio Broadcasts Issued in Book Form, The First Address* (Ottawa 1935), 6, 19.

marketing schemes designed to boost prices and regulate production.<sup>19</sup> In one way or another, the agitation around the Stevens Commission created ripples of dissent and demands for reform that emanated from Ottawa to the provincial capitals.

*'a government in to stop all slave drivers': The Industrial Standards Act*

Mitch Hepburn, leader of the Ontario Liberal opposition, had staked out his territory as an anti-big business critic several years before the Stevens inquiry. Hepburn's self-proclaimed "swing to the left" in 1932 was followed by attacks upon the excessive profits of oil companies sheltered behind tariff walls, sharp questions about the shady accounting (and even more dubious deals) that kept Sun Life solvent, open hostility to the "subsidized press," a demand for the repeal of Section 98 (under which the leaders of the Canadian Communist Party had been imprisoned), and a dramatic denunciation of the use of police power to suppress demonstrations and strikes. Hepburn accused Bennett of giving "the glad hand to the big interests and the mailed fist to the unemployed," and proclaimed his own willingness to bear the "wrath of the capitalist class."<sup>20</sup> Much of Hepburn's pronouncements and posturing were not shared by key Liberals, but he was a wily politician, capable of reading shifts in public sentiment and delivering a convincing performance. Consequently, Hepburn's provincial Liberal Party was able to exploit the publicity of the Stevens Commission, the crisis of relief labour and plunging living and working standards, to craft a winning election platform in 1934.<sup>21</sup> The slogan of "Action Not Promises" resonated with people battered by five years of government foot-dragging. A grocery store employee in Toronto echoed the sentiment of many in the province when he wrote that "it is time our Governments of Canada stopped twiddling their thumbs and do something for labor, and not have a man selling his independence for a meager existence for himself and his family."<sup>22</sup> In response to these demands for action, labour lawyer and Liberal candidate Arthur Roebuck promised that

<sup>19</sup>For a detailed overview see Lloyd G. Reynolds, *The Control of Competition in Canada* (Cambridge, Mass. 1940), 213-41. Many of the provincial measures clearly bore the mark of what Michael Bliss has characterized as a "crusade" carried on by small businessmen to regulate prices and eliminate competition, but clearly there was more to the legislation than that. Bliss, *Northern Enterprise*, 426-7.

<sup>20</sup>John T. Saywell, *'Just Call Me Mitch': The Life of Mitchell F. Hepburn* (Toronto 1991), 87-8. For a more cautious assessment of Hepburn's "swing to the left" see Neil McKenty, *Mitch Hepburn* (Toronto 1967), 48-50.

<sup>21</sup>Wilbur, *H.H. Stevens*, 205-7; Saywell, *'Just Call Me Mitch'*, 27. The Stevens commission was particularly popular in Ontario and Québec.

<sup>22</sup>AO, Labour, RG 7-15-0-80, anon., n.d., [1935].



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the Liberal party will not only establish a minimum wage, but it will bring about codes in industry; it will negotiate rates of pay and hours of labour from the lowest to the highest grades of skill. These agreements will be supported by law and the ruthless employer who fails to comply will be forced out of business.<sup>23</sup>

Roebuck, who became the Attorney General and the Minister of Labour immediately after the election, by-passed the promise of a minimum wage, offering instead the Industrial Standards Act. Although the ISA was a new development in English Canada (that soon spread to Alberta, Saskatchewan, New Brunswick and Nova Scotia) similar schemes were already operating in Québec, many European nations, Britain, and certain Australian states.<sup>24</sup> The Ontario legislation permitted the Minister of Labour to call a conference, at the request of either organized labour or organized employers, to discuss and establish minimum wages, maximum hours and working conditions for their industry in specific geographical zones. Once employers and workers had agreed to a minimum wage and other standards (most often based upon pre-existing collective agreements), the Minister could apply the terms of the agreement to all similar industries within the zone. The standards would then receive government sanction and become legally binding on all designated industries within the zone, and a joint board of workers and employers would be established to supervise the operation of the code.

The significance of the ISA in Ontario (and similar legislation in other provinces) has been identified by numerous historians; even those who only briefly consider the Act find it to be multi-faceted. Economic historian Ian Drummond argues that Ontario's ISA can be seen as the importation of key elements of Roosevelt's New Deal, the establishment of corporatist structures similar to those in Mussolini's Italy and Franco's Spain, or an attempt to undermine unions by assuming many of their functions.<sup>25</sup> The last explanation is the least tenable, although there were isolated moments when the ISA could take on a distinctly anti-union purpose. The only explicit evidence of this was in 1938 when Morrison

<sup>23</sup>*Toronto Star*, 15 June 1934, 23, cited in Mark Cox, "The Limits of Reform," 558. See also T.C. Crossen, "The Political Career of Attorney General Arthur Wentworth Roebuck, 1934-7," MA Thesis, University of Waterloo, 1973.

<sup>24</sup>Legislative Branch, Department of Labour of Canada, *Labour Legislation in Canada: An Historical Outline of the Principal Dominion and Provincial Labour Laws* (August 1945), 18-9; AO, Labour, RG 7-1-0-165, Memo on Collective Agreements, 10 January 1938. Driven by vicious competition, organized labour and numerous employers joined together for the passage of a Bill that would extend their agreed upon wage rates to all workers and employers in certain districts in Britain. In 1934 Québec had passed the Collective Agreement Act (also known as the Collective Agreement Extension Act), that allowed business and labour to "extend" union contracts signed by a significant percentage within their industry to all competitors in a particular area.

<sup>25</sup>Ian Drummond, *Planning Without Progress: The Economic History of Ontario From Confederation to the Second World War* (Toronto 1987), 236-7.

Lamothe, a member of the ISA board and a bakery owner who almost single-handedly organized the conference necessary to bring Ottawa's baking industry under the Act, tried unsuccessfully to break the union and fire activists. As a condition of settling the ensuing strike at his bakery, he was required to write a confession to the Minister of Labour:

I was not in favour of the union organizing our employees as I was afraid of its domination. While I have sincerely supported the Industrial Standards Act, the main motivating idea was to defeat any union organization among bakery workers in this city, as, when they were not organized, I was always in the drivers seat.<sup>26</sup>

Most employers were concerned that the Act would empower unions, and some initially resisted the idea of negotiating with labour. Roebuck plainly stated that while employers could set minimum wages by agreement among themselves, this could only be done where workers were "not organized and not asking to be represented." In practice the ISA always involved active union participation and company unions were banned in practice. In response to direct questions from the Canadian Manufacturers Association (CMA) about the government's position on the Workers' Unity League (WUL), Roebuck refused to denounce the Communist unions:

I have told the unions two or three times in their conferences here that it is not the labour department's duty to exert itself solely for the unions nor, on the other hand, to take the part of their enemies in destroying them; that here we are only trying to give a little greater power to those that agree than to those that disagree.<sup>27</sup>

Drummond's assertion that the ISA was possibly a "corporatist" strategy is more applicable to Québec's industrial standards legislation, but his observation that Ontario's ISA represented a version of the New Deal deserves more attention.<sup>28</sup> Indeed, comparisons with Roosevelt's New Deal are found in two of the three main syntheses of Canadian working class history. Craig Heron's brief description of the

<sup>26</sup>AO, Labour, RG 7-1-0-147, G. Morrison, President, M-L Bakery, Ottawa to M.M. MacBride, 18 January 1938.

<sup>27</sup>AO, Labour, RG 7-1-0-154, "Report of a conference between members of the CMA and Arthur Roebuck, held in the Parliament Building, 30 January 1936," 31-2, 38.

<sup>28</sup>An interesting interpretation of the Québec ISA as a form of state (as opposed to liberal) corporatism can be found in William D. Coleman, "State Corporatism as a Sectoral Phenomenon: The Case of the Quebec Construction Industry," in Alan Cawson, *Organized Interests and the State: Studies in Meso-Corporatism* (London 1985), 106-124. An additional source is Gerard Hébert, "Extension Juridique Des Conventions Collectives Dans L'Industrie De La Construction Dans La Province De Québec, 1934-1962," PhD thesis, McGill, cited in Bora Laskin, *Report of the Committee of Inquiry into the Industrial Standards Act*, July 1963, copy in AO, Labour, RG 7-8-3-3. For the historical context of Québec's legislation see Evelyn Dumas, *The Bitter Thirties in Québec* (Montréal 1975).

legislation in Ontario and Québec (with reference to other provincial acts) portrays it as a measure to "encourage the many small-scale companies in such sectors as construction, clothing and furniture to work out common labour policies with existing unions," but he notes that "little effective bargaining developed."<sup>29</sup> His negative assessment is based largely on a comparison with the American Wagner Act. Desmond Morton also unfavorably compares Ontario's industrial standards legislation to Roosevelt's New Deal. In a few short sentences (divided between the Québec and Ontario acts), Morton describes Ontario's ISA as an effort to "help industries establish codes of wages and conditions so that generous or humanitarian employers would not be victimized by ruthless competitors."<sup>30</sup> Both Heron and Morton provide limited assessments of the ISA as a northern New Deal, probably because the Act failed to achieve what it promised, and also because Bennett's national New Deal legislation (which would form the most natural basis of comparison) was never implemented. While it is true that formal state recognition of union rights did not accompany the passage of industrial standards legislation (except in Nova Scotia), the New Deal provides a better foil to Ontario's provincial legislation than is initially apparent.

Yet another possible interpretation of the ISA surfaces in Bryan Palmer's *Working Class Experience*. Palmer avoids any comparison with the New Deal and by-passes the ISA in all provinces except for Nova Scotia where the ISA applied only to the building trades in Halifax and Dartmouth.<sup>31</sup> He draws upon Ian McKay's argument (in his work on the carpenters' union in Halifax) to suggest that while the ISA was driven by the "demands of contractors for protection from outside competitors and partly from new demands of labour for work and decent wages," its lasting significance was as part of a greater trend towards the recognition of trade union rights, collective bargaining, automatic union dues check off, and emergent forms of bureaucratic and legalistic unionism. McKay calls Nova Scotia's ISA "the birth of industrial legality" in the construction industry.<sup>32</sup>

<sup>29</sup>Craig Heron, *The Canadian Labour Movement: A Short History* (Toronto 1989), 74. Heron identifies the Québec Collective Agreement Extension Act (1934) as the Industrial Standards Act and mistakenly claims that Ontario's ISA (1935) was enacted in 1934.

<sup>30</sup>Desmond Morton, with Terry Copp, *Working People: An Illustrated History of the Canadian Labour Movement* (Ottawa 1980), 158. Morton mistakenly claims that the Ontario ISA (1935) was enacted in 1936; Bob Russell, *Back To Work: Labour, State, and Industrial Relations in Canada* (Scarborough 1990), 182, 232, fn. 23. Russell discusses the American New Deal at great length but fails to adequately, or accurately, refer to provincial regulatory legislation.

<sup>31</sup>Bryan Palmer, *Working Class Experience: Rethinking the History of Canadian Labour, 1800-1991* (Toronto 1992), 260-1.

<sup>32</sup>Ian McKay, *The Craft Transformed: An Essay on the Carpenters of Halifax, 1885-1985* (Halifax 1985), 81, 93: "it seems more accurate to see PC 1003 not as the *birth* of a new system, but the *extension* of an old one." For an example of the tendency to see PC 1003 (1944) as the arrival of industrial legality see Laurel Sefton MacDowell, "The Formation of

Ontario's ISA can be similarly viewed as an attempt to introduce industrial legality (on an industry-by-industry basis) and to more explicitly govern the relations of capital and labour. In a letter to J.M. Buckley, Secretary of the Toronto District Labour Council, David Croll, then Minister of Labour, argued that the ISA was "the most potent factor in preserving for the Unions the right of collective bargaining."<sup>33</sup> The entire structure of the ISA encouraged formal legal contracts between unions and capital, and drew labour deeper into protracted and detailed negotiations with employers. At the same time, state recognition of collective bargaining rights (albeit informally) tamed the labour movement, an argument made forcibly by Hal Draper:

It is a pattern in all countries that, as soon as the bourgeoisie reconciles itself to the fact that trade unionism is here to stay, it ceases to denounce the institutions as a subversive evil that has to be rooted out with fire and sword in order to defend God, country, and motherhood, and it turns instead to the next line of defense: domesticating the unions, housebreaking them, and fitting them into the national family as one of the tame cats.<sup>34</sup>

The establishment of a second line of defense, in the form of state regulation and recognition of the more "responsible" section of the labour movement, was clearly evident in the government's implementation of the ISA. The international unions were often given preferential recognition as "proper and sufficient representation" for labour. The Minister of Labour, by determining "in a very loose way" which unions represented which workers in which industries, could take the wind from the sails of the troublesome communist-led Workers Unity League.

Formulated between the cusp of the two great labour upsurges of 1934 and 1937, the ISA also attempted to sever the material root of industrial unrest. Roebuck, a labour solicitor for many years who felt that "strikes [we]re like war, costly methods of determining questions," saw the ISA as a means to reduce the volume and intensity of class struggle.<sup>35</sup> Even after Roebuck's departure, the ISA was

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the Canadian Industrial Relations System During World War Two," *Labour/Le Travail*, 3 (1978), 175-96.

<sup>33</sup>AO, Labour, RG 7-1-0-126, David Croll to J.M. Buckley, Secretary of the Toronto District Labour Council, 22 March 1937. Croll felt that "collective bargaining is a fundamental right of all working people." R. Warren James, *The People's Senator* (Vancouver 1990), 63.

<sup>34</sup>Hal Draper, *Karl Marx's Theory of Revolution, Vol. II: The Politics of Social Classes* (New York 1973), 234, quoted in Leo Panitch and Donald Schwartz, *The Assault on Trade Union Freedoms* (Toronto 1988), 17. Panitch and Schwartz opened their first chapter with this quote from Hal Draper. It is a fitting introduction to their argument that the formal recognition of trade union rights by the federal government in the 1940s came with tight restrictions on unions, such as a limitation on strikes and picket lines, that were designed to ultimately "tame" labour and maintain capital's dominant position.

<sup>35</sup>AO, Labour, RG 7-70-0-1, "Notes of Meeting of Arthur Roebuck with Toronto and Hamilton Construction Associations," 12 December 1934, p. 1, 4. Arthur Roebuck had no

credited by the Department of Labour with reducing industrial conflict. Minister of Labour M.M. MacBride argued in 1937, that

In the furniture industry for instance, in which approximately 4,500 workers are employed in the province, the [ISA] schedule has wiped out dissatisfaction of long standing among workers and prevented any further interruption of production and loss of wages due to strikes.<sup>36</sup>

The ISA was a decisive step beyond informal intervention and an attempt, in the words of J.F. Marsh, to "keep our streets clear of strikers and sandwich men advertising places of employment as being unfair" and helped to ensure that "labour troubles may not be increased."<sup>37</sup>

Combating labour unrest by this fortifying of responsible unions was prompted by a dramatic shift in the balance of class forces during the 1930s and early 1940s; yet capital, Mitch Hepburn and much of his Cabinet, ultimately decided that the time had not come to turn organized labour into a "tame cat." Hepburn's turn against his progressive Ministers, and his determination to drive the CIO and industrial unionism from the province, ended any immediate moves to extend formal recognition to trade unions and enshrine the principles of the ISA in new statutes protecting labor organizations. Instead the ISA stands as a half step towards industrial legality. It was an important piece of legislation, and certainly deserving of more attention, yet its significance to the development of a formal regime of industrial legality should not be overstated.

The various interpretations of the ISA that have been presented are to some degree accurate descriptions of the significance of industrial standards legislation to organized labour. However further consideration of the operation of the ISA in Ontario reveals a much more complicated relationship between capital, labour and the state — a relationship that forms the basis for a new interpretation of the meaning of industrial regulation. Other factors, particularly the crisis of working conditions created by the welfare state, are much more important in understanding the roots of the Act and the nature of its implementation. Before developing the argument that the ISA was something of a northern New Deal, it is crucial to examine the material roots of the crisis which the Act attempted to correct. I refer not to the

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way of knowing that the Comintern was on the verge of ordering the WUL to disband in a drastic and foolhardy maneuver. See Irving Abella, *Nationalism, Communism, and Canadian Labour: The CIO, the Communist Part and the Canadian Congress of Labour* (Toronto 1973), esp. Ch. 1-2.

<sup>36</sup>AO, Labour, RG 7-1-0-147, article prepared by M.M. MacBride for the *London Free Press*, 20 December 1937; AO, Labour, RG 7-1-0-170, memo re activities of the Department of Labour, 11 February 1938.

<sup>37</sup>AO, Labour, RG 7-15-0-19, J.F. Marsh, Deputy Minister of Labour to Mr. Coldoff, York & Piper Bldg., Toronto, 8 May 1935. This refers to strikes by elevator operators, and was a form letter sent out to building operators.

vicious competition among capitalists that prompted calls for industrial regulation, but to the nascent welfare state which disrupted the labour market, structured the re-emergence of sweatshops, and fueled political, economic and industrial turmoil.

*Relief Capitalism: 'we boast that slavery does not exist'*

I am working 72 hours per week and my wages are \$15.00. I can not live on these wages and support my family ... I am going in the hole ... I am not receiving any assistance whatsoever and I cannot get any assistance, cannot buy the medicine my wife requires and I cannot buy for her the diet she is supposed to have ... Is there any sense of me working and going into debt for the necessities of life ... My family needs clothing and shoes ... my children do not get enough to eat ... My shoes fall off my feet ... the Welfare told me if I quit my job they would not give me relief ... I would not want relief if I could get a living wage ... there must be justice somewhere ... we are all human and like to enjoy life a little. I do not drink liquor or beer and I do not have a car, just a hard working chap trying to get along.<sup>38</sup>

In 1897, William Lyon Mackenzie King defined sweating as "a condition of labour in which a maximum amount of work in a given time is performed for a minimum wage, and in which the ordinary rules of health and comfort are disregarded." Mackenzie King offered this definition in a published investigation of conditions in Toronto's needle trades, an industrial sector where the practice had originated and flourished.<sup>39</sup> Although some of the most extreme examples of sweated labour could be found in the garment industry, the term did not apply solely to that trade. The 1889 Royal Commission on the Relation of Labor and Capital noted that the "sweating process" could be found among a wide variety of workers, including Québec's boat-men, female shoe sole workers, tobacco factory workers, and saleswomen in shops.<sup>40</sup> While the Commission believed that starvation wages and long hours were the exception in Canadian industry, the state introduced a series of remedial measures in the form of factory and other legislation that regulated the hours, working conditions, and wages of female and child workers. As a result of such legislation, structural changes in certain industries that brought workers into large factories from small scattered shops, and the migration of "welfare capital-

<sup>38</sup>AO, Labour, RG 7-1-0-87, Mr. W. Antram to David Croll, 8 May 1936.

<sup>39</sup>"Toronto and the Sweating System," *Toronto Daily Mail and Empire*, 9 October 1897, cited in Michael J. Piva, *The Condition of the Working Class in Toronto, 1900-1921* (Ottawa 1979), 94-5. See also Ruth Frager, *Sweatshop Strife: Class, Ethnicity, and Gender in the Jewish Labour Movement of Toronto, 1900-1939* (Toronto 1992), 19, 104, 127. For an elaboration of the concept of "sweated labour" in the garment trades see Robert McIntosh, "Sweated Labour: Female Needleworkers in Industrializing Canada," *Labour/Le Travail*, 32 (Fall 1993), 105-35.

<sup>40</sup>Jules Helbronner, "Appendix O: Sweating Process," *The Royal Commission on the Relations of Capital and Labor*, 1889, in Gregory S. Kealey, *Canada Investigates Industrialism: The Royal Commission on the Relations of Labor and Capital, 1889* (abridged) (Toronto 1973), 25-9.

ism" from American to Canadian factories, conditions improved somewhat in the first two decades of the 20th century, although the wages of many workers continued to fall below the amount necessary to support a family.<sup>41</sup>

With the onset of the Great Depression, many of the modest gains of the previous two decades were rolled back. Wages plummeted, hours grew longer, and sweated labour spread through almost all sectors of Toronto's economy. The sweatshops of the 1930s were not, for the most part, a reincarnation of the conditions of the 1890s, but rather a new strain of exploitation that hinged on the availability of municipal welfare to subsidize extremely low wages. This phenomenon was particularly evident in Toronto, which led the province in establishing a fairly comprehensive system of relief — providing health care, maternity care, dental care, eye glasses, and free school books for children — that was simultaneously crafted to economically compel recipients to seek work.<sup>42</sup> During the first four years of the Depression Toronto limited rental assistance to a maximum of every second month, clothing (particularly warm winter clothing and children's shoes) was in short supply from the charities, and food rations were never adequate to properly feed a family. It was relatively easy to get relief, particularly if you were a male family head, but it was difficult to live on what was provided.

This system tended to drive workers back into the labour market at whatever wages they were offered. Businesses, and even quasi-government agencies, seized upon this economic vulnerability, pushed wages below subsistence levels and encouraged their workers to go on relief to sustain themselves and their families. As a result, many both worked and drew relief, or alternated between the two, as this informal system of workfare became an accepted means of survival for many working-class families. The result was a cycle of dependency in which an increasing number of occupations offered wages which required a supplement of relief, and workers began to figure out that by being on relief and working, they were able "to increase their budget to an amount *greater than they could possibly earn if they were working full time.*"<sup>43</sup> Prime Minister Bennett's accusations that relief had

<sup>41</sup>For a brief overview see Legislative Branch, Department of Labour of Canada, *Labour Legislation in Canada: An Historical Outline of the Principal Dominion and Provincial Labour Laws* (August 1945), 13-22. For a discussion of the application and effectiveness of legislation see Piva, *The Condition of the Working Class*, 97-111. See also Frager, *Sweatshop Strife*, 21. For a discussion of welfare capitalism see Craig Heron, *Working in Steel: The Early Years in Canada, 1883-1935* (Toronto 1988), 99-110; Joy Parr, *The Gender of Breadwinners: Women, Men, and Change in Two Industrial Towns, 1880-1950* (Toronto 1990), 39-49; Robert Storey, "Unionization Versus Corporate Welfare: The 'Dofasco Way'," *Labour/Le Travailleur*, 12 (Fall 1983), 7-42.

<sup>42</sup>James Struthers, *The Limits of Affluence: Welfare in Ontario, 1920-1970* (Toronto 1994), 94, 105.

<sup>43</sup>AO, Labour, RG 7-1-0-145, Miss [L] Wark, Assistant Deputy Minister, to David Croll, Minister of Public Welfare, 26 February 1937, emphasis added. For an interesting commentary on the proximity in living standards between the employed and unemployed in America

become a "racket" for "relief conscious" municipalities who used 20 per cent of all federal funds to "subsidize" low wages, was not without its basis in fact.<sup>44</sup>

The provincial and municipal governments were also aware that employers were abusing the welfare system by lowering wages in anticipation of employing workers on partial relief. Complaints had reached Toronto's powerful Department of Public Welfare in 1933 that certain employers were cutting workers' wages and "advising them to apply for welfare."<sup>45</sup> Although the city obviously disapproved of this practice, Dr. Monteith, Chairman of the provincial committee handling unemployment relief, was "firmly of the opinion that as these men were finding some employment and assisting themselves, they were entitled to partial relief and should not be stricken off the list."<sup>46</sup> This attitude persisted until the election of the provincial Liberals in 1934. Shortly after winning office the new government instructed Warren Findlay, Senior Investigator with the Department of Welfare, to review his files and re-examine cases of families on partial relief in which the head of the family was working. Findlay found that in almost all cases where work and relief co-existed, extremely low wages were the culprit, and this practice was evident in almost all industries and occupations in the province.

According to Findlay's findings, many automobile mechanics earned 18¢ an hour while barbers worked 56 hours for \$7 a week. At the Union Stock Yards, workers (predominately drawn from Toronto's African-Canadian population) earned \$7 a week at the hard and dirty job of cleaning cattle cars. The Swiss Bakery employed men at the rate of \$6 a week; Rathbone Lumber also paid \$6 a week to its male workers; and workers at Uptown Cabs made as little as \$2-3 a week for full-time hours. An electrician by trade who worked at Walsh's Garage at University and Richmond described as an intelligent and reliable man earned \$7.10 for a 50 hour week (which as an electrician in 1929 he would have made in one day) to prevent his family of five from being evicted. Another man "begged to be given ... work which a boy could do" at Legge's Drug Store for \$9.50 a week to *help* support his family of four. Wages in Toronto's grocery stores, including Loblaw Grocete-

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during the 1930s see Gerald Markowitz and David Rosner, eds., *'Slaves of the Depression': Workers' Letters About Life on the Job* (Ithaca 1987).

<sup>44</sup>James Struthers, *No Fault of Their Own: Unemployment and the Canadian Welfare State, 1914-1941* (Toronto 1983), 116. Bennett's comments should be viewed in light of the fact that the Federal Government spent more money servicing the debt of the Canadian National Railway (CNR) between 1930-36 than it did to provide unemployment relief. Pierre Berton, *The Great Depression, 1929-1939* (Toronto 1990), 10.

<sup>45</sup>Metro Archives (MA), Commissioner of Public Welfare Records (Welfare), Box 100 (46.21), Vol. 2, "General Welfare Assistance - Policy, regulation, legislation and instructions," April 1933-March 1939, J.W. Somers to A.W. Laver, 22 May 1933, 5 June 1933.

<sup>46</sup>MA, Welfare, Box 100 (46.21), Vol. 2, "General Welfare Assistance," A.W. Laver, to Wm. J. Stewart, 9 September 1933. He also stated that "they had been considering for some time the necessity of providing a minimum wage for men employees," but nothing would come of this until the ISA.





Left: City of Toronto Archives, Department of Public Works and Housing, 33-290. Right: City of Toronto Archives, Department of Public Works and Housing, 33-231. Design: Marcus Klee.

rias, Tamblyn, Dominion, and A & P, were generally around 10-22¢ per hour. Even highly skilled workers, such as an electric welder at National Electric, earned only \$10 a week. Numerous hotels, bars and restaurants had staff on relief, including workers at the luxurious Prince George Hotel, Royal York Hotel, and King Edward Hotel. The steward at the ever-so-prestigious Granite Club was drawing relief to feed his family of six while working full time for \$10 a week, while the YWCA, which administered relief to all single unemployed women, paid a male cafeteria employee with five children \$9.75 a week, a rate below even the paltry female minimum wage.<sup>47</sup>

Hospitals were probably the worst offenders among public institutions, and the nature of many hospital jobs was particularly onerous. A Toronto hospital worker offered a graphic description of his duties in a letter to the Minister of Labour:

Please let me give you an idea about the things an orderly has to do. He has to prepare patients for operations, give enemas, he has to carry bed pans and wash them out and very often it would make you sick to the stomach, after he has to wash the patients from head to toe when they dirty the beds, he has to fix up the dead bodies for the morgue often do dressings on venereal patients, with no protection, he comes in contact with every infection and contagious disease.<sup>48</sup>

For this sort of work orderlies made about \$10 for a very long week. If they had a family and no additional family income, they would almost surely be on relief. In fact, every major public hospital in Toronto, including the General Hospital, Grace Hospital, St. Michael's Hospital, Sick Children's Hospital, Western Hospital, and the Toronto Hospital for Incurables, had all of their laundry staff and cleaners on relief, in addition to some of their elevator operators, porters, orderlies, window cleaners, labourers, carpenters and maintenance workers. Not only were workers on relief paid below subsistence wages, but they worked incredibly long hours. Many hospital workers earned \$12.50 for a 62-70 hour week. At Mercy Hospital, men worked 11.5 hours a day for 90¢ (plus board), while at St. Joseph's the orderlies worked 80 hours for \$7 a week, without board. A hospital worker, writing on behalf of all employees at the Ontario Hospital in Whitby, referred to the harm his 85-hour work week had done: "We never see our children, they are in bed when we leave in the morning and are in bed when we get home at night, not much time for love I am sure." Another worker in a Toronto hospital relayed a similar story: "I am paid \$12.50 per week for 72 hours work. I am away 14 hours from home every day. I

<sup>47</sup> AO, Labour, RG 7-70-0-3, Warren Findlay, Senior Investigator, "Memorandum Re: Wage Earners on Partial Relief," 18 March 1935; AO, Labour, RG 7-1-0-88.

<sup>48</sup> AO, Labour, RG 7-1-0-183, deleted name, Toronto, 11 November 1937 to M.M. MacBride.

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have to sleep 8 hours which leaves me 2 hours to spend with my wife and child."<sup>49</sup> Alfred Cooper, an orderly and activist at the Toronto General Hospital asked David Croll, Minister of Labour,

man to man don't you think we are entitled to be used like human beings ... We were going to strike and walk out but you can't leave sick people ... they think they can fill our places easy ... We are waiting word from our union to see what to do. I ask you ... to help us. I don't know how some of our boys live with a family. This will likely mean my job but I can't stand it any longer. I'll quit first and get relief. I have stood it for three years now.<sup>50</sup>

Organized labour took an interest in the plight of hospital workers and publicized these conditions. J.W. Buckley, Secretary of the Toronto District Labour Council, pointed out that "one would naturally think that institutions that are engaged in the primary duty of restoring the health of its citizens would at least have some regard for the public welfare of those who it employed," and warned the government that the WUL "would organize these employees, and use not only the weapon of the strike, but publicity."<sup>51</sup> His warning would be prophetic. Articles in the press pointedly claimed that "men employed in Toronto hospitals today cannot support their families without going on relief. If they received better wages they would save the city money by staying off relief rolls."<sup>52</sup> Despite the public embarrassment this caused, the hospitals were intransigent and resisted any pressure to raise wages or reduce their hours (except for the superintendent of the Toronto General Hospital who managed to grant himself a \$3,000 raise at the same time that he threw his workers onto relief).

In 1937, J.B. Salsberg and the Toronto District Trades and Labour Council (TDTLC) led a delegation from the Hospital Employees Federal Union Local 48 (affiliated directly with the TLC) to persuade the hospitals to negotiate, but "the union could make no headway in pressing its requests for union recognition, better pay and shorter hours."<sup>53</sup> As late as 1938, Toronto's hospitals were still underpaying their workers by charging them for meals and rooms and working them for long hours seven days a week. The Sick Kids Hospital, for example, managed to lower

<sup>49</sup>AO, Labour, RG 7-70-0-5 Long Hours, "Complaints Received by Labour Department Re Long Hours in Industry," n.d. [1934-35]; AO, Labour, RG 7-15-0-73, anon. Staff, Ontario Hospital Whitby, to David Croll, Minister of Labour, n.d. [June 1936]; AO, Labour, RG 7-1-0-183, deleted name, Toronto, to M.M. MacBride, 11 November 1937.

<sup>50</sup>AO, Labour, RG 7-1-0-124, Alfred Cooper, Toronto, to David Croll, 21 March 1937.

<sup>51</sup>AO, Labour, RG 7-1-0-109, J.W. Buckley, Secretary of the Toronto District Labour Council, to Mitch Hepburn, 9 November 1935.

<sup>52</sup>"Ask Parley for Hospital Union," *Toronto Clarion*, 7 January 1937, copy in NAC, Labour, RG 27, Vol. 379 (153) Hospital Employees, September 1937 (MNF T-2988).

<sup>53</sup>"Ask Parley for Hospital Union," *Toronto Clarion*, 7 January 1937.

its average employee's pay to \$6 a week after deductions. About half of these workers were married and supporting a family.<sup>54</sup>

Evidence of relief wages also flooded into the offices of the departments of welfare and labour from individual workers who were fed up with poor working conditions and low pay. An employee at Iveson Pulley Works in Toronto complained that "there is 3 men getting 36¢ per hour for 40 hours per week total \$14.40 per week, having 20 years experience in pulley works. There is 7 men getting 30¢ .. these men have 10 years experience. There is 4 men getting 25¢ ... all are married with families and are not even breaking even on these starvation wages."<sup>55</sup> The evidence in these letters reinforced government findings of sweated labour in a wide variety of companies in Toronto. The Oil Coat Company employed a watchman to work 91 hours a week, 365 days a year. A night fireman and a day engineer at the York Trading Company in Toronto worked, respectively, 91 and 71.5 hours weekly. The Maple Leaf Milling Company ran shifts, lasting at times 22 hours a day, and averaging 86 hours a week, with wages ranging from \$11.00 to \$21.50. Many of the employees of Imperial Woodworking Company earned \$4.00 per week, while most earned under \$9 each week. The Maple Leaf Toy Company paid \$5 for a 50 hour week, and the Canadian Barrel and Bottle Company worked their employees for 10 hours a day at 10¢ an hour with the hourly rate actually decreasing with overtime. If workers resisted unpaid overtime they were fired, such as one man at the Robertson Knitting Mills who worked 60 hours a week for \$6.55 and was fired when he refused to work longer.<sup>56</sup>

A caretaker in an apartment building purchased by a rich doctor had his wages cut to 80¢ per day. The caretaker quit the job and noted "for several years I have followed this line of work to avoid taking relief, but could never continue to work for such wages."<sup>57</sup> Even young professionals, such as recently graduated Toronto druggists, a position that required two years in a Pharmacy program and four years practical work in a drug store, wrote and complained of working 70-102 hours a week for \$9.00 to \$12.00. An old-time druggist told the Minister of Health in 1934 that these working conditions were "practically slavery" and noted "This is a lot of work for a small salary, in a country that is supposed to be free."<sup>58</sup> The worst off were farm laborers who could work 15 hours a day for \$5 each month.<sup>59</sup> One farm worker wrote: "We boast that slavery does not exist under the British flag yet

<sup>54</sup> AO, Labour, RG 7-1-0-183, "Meeting of the Hospital Employees' Association in the Office of the Minister of Labour Wednesday, 10 November 1938."

<sup>55</sup> AO, Labour, RG 7-1-0-118, anon to David Croll, 25 October 1936.

<sup>56</sup> AO, Labour, RG 7-1-0-119, Factory Inspector to David Croll, 26 January 1937.

<sup>57</sup> AO, Labour, RG 7-1-0-86, Robert Graves to David Croll, 31 March 1937.

<sup>58</sup> AO, Labour, RG 7-1-0-69, Thomas C. Cooper, Toronto, to J.M. Robb, Minister of Health, 26 February 1934.

<sup>59</sup> AO, Labour, RG 7-70-0-5, "Complaints Received by Labour Department Re Long Hours in Industry," n.d. [1934-35].

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conditions such as these are allowed to go on. ... This is one of the reasons there are so many single young men unemployed in this province. They will not submit to the slave conditions of the Ontario farm, and so become drifters."<sup>60</sup> If \$5 a month for farm labour seemed low (and many unemployed young men were driven to the countryside in search of work when their relief was cut off every summer), some janitors worked for nothing more than rent on apartments remodeled from "locker rooms." An ex-policeman turned landlord, who by 1935 "owned more apartment houses than any other landlord in Toronto,"<sup>61</sup> had nearly all of his janitors on full relief, working for rent only. The relationship between relief and low wages was recognized by workers across Ontario. A basket weaver in Kingsville, just north of Toronto, argued that the government had to raise wages because employers paid below living wages and then "let their employees go to the Town to get the rest of what they require to live on."<sup>62</sup>

The Liberals had to respond to these concerns once elected after playing upon these anxieties in opposition and during the election. The ISA had been trumpeted as the cure for low wages, abuse of welfare, and reckless competition, and the flood of letters from workers reminded them of their commitments. One woman, the wife of a Toronto iron worker, pushed the government to implement the ISA in more industrial sectors while highlighting the relationship between relief and the Act.

How can a company expect a man to keep himself, wife and child on 36¢ per hour ... My husband is employed at the Toronto Iron Works, where you can understand the work is heavy ... We have two school aged children, pay \$20 per month rent, try to carry insurance, and pay our own way but what we are to use for fuel is driving me crazy. We are not in need of clothing or we'd have to wear barrels ... We don't want relief, we can take care of ourselves, if we can get a wage sufficient to live on. Your labour codes for bricklayers etc. have raised wages so why can't you do something for my husband.<sup>63</sup>

Organized and unorganized workers embraced the ISA and the idea of industrial codes as positive reform and supported attempts to regulate the economy and raise wages. Desperate letters (unsigned for fear of being exposed and fired) pleaded with J.F. Marsh, the Deputy Minister of Labour, to "save us." These letters reflect the people's expectations, raised by the new Liberal administration, of government intervention in the relations between capital and labour. A salesman wrote to David Croll, initially the Minister of Public Welfare and later the Minister of Labour, telling him that he was "hoping that some time soon these firms will be compelled by law to realize these men are human beings and, as such, are entitled to different

<sup>60</sup>AO, Labour, RG 7-15-0-41, Henry O'Neill, Bells Corners, to Arthur Roebuck, 11 February 1935.

<sup>61</sup>AO, Labour, RG 77-70-0-19, Garnet L. Ord, Inspector, Unemployment Relief Branch, to Mr. D.B. Harkness, Acting Secretary, Unemployment Relief Branch, [10 May 1935].

<sup>62</sup>AO, Labour, RG 7-1-0-111, John Gooden, Kingsville, 7 January 1935.

<sup>63</sup>AO, Labour, RG 7-1-0-87, Gladys Cotton, Toronto, to David Croll, 12 September 1936.

treatment than has been meted out during these depression years." Some simply reminded the government that their election slogan was "Action not Promises."<sup>64</sup>

Working-class Liberals had particularly high hopes, such as one woman who wrote to complain about her husband's job driving a delivery truck for a bakery:

The driver that I spoke of worked hard for the liberals to get better wages and he is no better off. My husband has to work too hard to do anything but he voted and I did too. But our better times has not come yet but I feel as soon as you know what a slave driver he is [the bakery owner] you will get after him without a doubt ... Thank goodness we have a government in to stop all slave drivers."<sup>65</sup>

Another woman, who had worked for the Liberal party in Toronto, wrote to Arthur Roebuck, the Minister of Labour, in a demanding tone:

Mr. Roebuck, my husband works 14, 15 to 16 hours a day for \$12.00 a week, now do you call that fair wages. Do you think its right, well we don't. Mr. Roebuck you're in power where you could do something about that. At least you promised ... Mr. Roebuck you could fix my husbands wages up if you wanted to do it. Remember Mr. Roebuck there's always a second time ... I think its a crime for a man to work for nothing ... I would like you to do something about it."<sup>66</sup>

Traditionally non-unionized workers also tended to ask for industrial regulation, pleading with a government they saw as sympathetic. A gas station employee in Toronto wrote the following letter to inform the government of the plight faced by workers in his sector of the economy.

I am writing this note to you as I know you are not aware that there [are a] thousand employees of all the gas service station companies in this city [Toronto] never has a day off. We have no power to voice our complaint only to your government. And will therefore ask you to do something for us poor mortals who never get a day off work seven days a week so I will leave it with you and ask you to please treat this confidential otherwise I will be doomed to the guillotine."<sup>67</sup>

The extent to which wage earners turned to the new Liberal government is striking. A diverse group of labouring people seemed to feel that they had elected

<sup>64</sup>AO, Labour, RG 7-15-0-52, anon. To J.F. Marsh, 25 April 1935; AO, Labour, RG 7-1-0-120, W.B. Water, Toronto, to David Croll, 14 September 1936; AO, Labour, RG 7-15-0-24, A.C. Bicknell, Toronto, to J.F. Marsh, 5 September 1935.

<sup>65</sup>AO, Labour, RG 7-15-0-7, Mrs. E. Hoagly, Caledonia, to Arthur Roebuck, n.d. [Dec. 1935]. In response to this letter, as with many others an inspector was dispatched to investigate the shop.

<sup>66</sup>AO, Labour, RG 7-15-0-41, Katie Wilczynski, Toronto to Arthur Roebuck, 27 December 1934.

<sup>67</sup>AO, Labour, RG 7-15-0-4, John Bright, Toronto, to Mitchell Hepburn, 6 April 1935.

a pro-worker government. Many referred to themselves as exploited by "bosses" or "capitalists," while one noted in closing his letter that a "reply on this matter, in a press article, would be appreciated by my 'partners in slavery' throughout Ontario." A worker in Guelph wrote asking for direction, while playing upon the government's election-time statements against abusive employers: "In view of the present provincial government's attitude in regard to Shyster employers in the province I am taking the liberty of asking your advice as to what action I should take on my own behalf ... I have been inclined to go on strike for more wages but with help so plentiful I fear I would not be very successful."<sup>68</sup> That workers should expect not only sympathy and support, but also direction, from a government while using the language of class struggle and class exploitation is a clear indication of a profound shift in popular consciousness in these years. One worker at Hamilton's Steel Company of Canada (Stelco) asked the Minister of Labour to

intervene here to prevent injustice and further cruelty from inhumane capitalists to these Steel Company of Canada men ... 'Man's inhumanity to man makes countless thousands suffer' ... All through the plant horrible conditions exist due to their greed, and men are treated worse than beasts ... Couldn't you get reports of facts from the men themselves, send someone down to live amongst it and see the conditions. The "top dogs" will only lie to you. ... Please do something to keep this capitalist sword from falling upon us.<sup>69</sup>

While it is difficult to overstate the cumulative resentments of workers in these difficult years, the level of business support for an end to relief-driven competition was also quite marked. David Croll had written to many businesses asking that they raise wages and shorten hours. In the gasoline retail business, where the average wage was \$10 a week for 70 hours work, Croll pointed out that "in the majority of cases these underpaid men must be in part a burden upon the whole community ... they were receiving something less than what would be granted to them were they on full relief ... In a regrettably large number of cases they had in fact applied for and received supplementary assistance ... The Province and the municipality were being required to subsidize the business ... in other words the taxpayer was helping to operate your business."<sup>70</sup> This position had resonance with many employers who had a difficult time competing with cut rate competitors. The Assistant Deputy Minister of Public Welfare knew that relief-driven competition devastated businesses that paid living wages:

<sup>68</sup>AO, Labour, RG 7-15-0-29, "Je Sais" [anon.] to Arthur Roebuck, 22 September 1934; AO, Labour, RG 7-15-0-4, J.T. Cook, Guelph, to Arthur Roebuck, 13 August 1934.

<sup>69</sup>AO, Labour, RG 7-15-0-21, Alexandra (anon.), Hamilton, to Mitchell Hepburn, 9 May 1935.

<sup>70</sup>AO, Labour, RG 7-1-0-133, David Croll to Roy L. Saunsley, Crown Dominion Oil Company, Toronto, 6 December 1935.

A case in point is in a city where a company advertised for tenders for a carving job. They had five replies, four of which were close. The fifth was so much under that they made enquiry to determine if the man was on relief. It was found that he was and the job was given to him at a price for which *he could not possibly have done the work had he not been on relief*. We believe this practice is fairly extensive.<sup>71</sup>

The losing bidders would have supported an Act that made "the individual purchaser of goods and services ... pay a somewhat higher rate in order that the worker may not find it necessary to apply for relief to supplement low earning and thus impose a burden upon the whole community."<sup>72</sup> Before turning to business support for the Act, it is important to address the existing historical literature which casts business as a strong and unwavering opponent that aimed to subvert the ISA's intent and render it unenforceable.

### *Business Opposition and the Enforcement of the ISA*

Most members of parliaments are still convinced of the superiority of business leadership and that 'what is good for business is good for Canada.' Cabinet members do not need to be bribed to accept the business viewpoint. They already think like businessmen.<sup>73</sup>

Liberal politics in opposition and during the election campaign clearly signaled to the workers of Ontario the new government's intent to establish industrial codes and bring order to the lives of those who were suffering through the worst economic crisis of the century. Despite widespread support for economic regulation and state intervention, Arthur Roebuck's desire to establish codes in industry was not fully shared by Mitch Hepburn and prominent members of the Liberal Cabinet. Hepburn confided to William Fraser, the federal Liberal member for Northumberland, that he was "never enamored with the Industrial Standards Act and have tried to keep the brakes on as much as possible."<sup>74</sup>

The tension within the state over the ISA (framed as a struggle over managerial rights) is explored by business historian Mark Cox in his sustained article-length discussion of the ISA. He presents a strong argument that the origin and early development of the Act rested largely with Arthur Roebuck's desire to "facilitate collective bargaining" and strengthen the international unions, his reform motivation deriving from his experience as a labour lawyer and his particular adherence to the ideas of Henry George. "Extreme" pronouncements from James F. Marsh, his Deputy Minister (and unsuccessful Liberal candidate in the Riverdale riding)

<sup>71</sup>AO, Labour, RG 7-1-0-145, [L] Wark, Assistant Deputy Minister, to David Croll, 26 February 1937, emphasis added.

<sup>72</sup>AO, Labour, RG 7-1-0-112, David Croll to Daniel McKee, Editor, *The Canadian Countryman*, Toronto, 12 November 1935.

<sup>73</sup>Reynolds, *The Control of Competition in Canada*, 262.

<sup>74</sup>Neil McKenty, *Mitch Hepburn* (Toronto 1967), 102-3.



and an official with the United Brotherhood of Carpenters and Joiners, that "all of his sympathies were with the unions," and that the ISA was going to force capital to bargain with labour and set wages and hours where employers and employees could not agree, alarmed the business community; according to Cox, these antagonists circled their wagons and defeated much of the Act's intent.<sup>75</sup>

Cox's observations about business opposition are important to note. Early criticism of the ISA came from all business quarters, but mainly from owners of large factories who saw it as the forced unionization of their employees, resulting in a disadvantage in the marketplace for their products. Toronto's Board of Trade, headed by F.D. Tolchard, came out against the Act because it effectively banned the participation of company unions and would "give an undesirable force to the activities of professional labor agitators, as a result of which dissension between employers and employees will be created in conditions where there is no justification for the same." The Board was also worried that the industrial congresses set up under the ISA would be dominated by labour agitators empowered and radicalized "by an agitated public opinion."<sup>76</sup> These sentiments were echoed by organized manufacturers in other cities. The Canadian Manufacturers Association came out against the ISA, arguing that industrial peace had grown in Ontario over the years and the Act was unnecessary.<sup>77</sup> *Saturday Night* ran a lengthy article entitled "Industrial Standards Act a Menace," criticizing the government for restricting business, and followed with a series of articles attacking the legislation.<sup>78</sup>

Marsh, who spearheaded the application of the ISA despite a reprimand for his public comments, promised his friends in business that he would "watch his step," and attempt to carry "public opinion in this as in any other law and ... be careful." But being careful was not going to be an easy task, as Arthur Roebuck noted in a reflective moment during a meeting with representatives of the CMA:

We are going to have lots of trouble under this Act, oodles of it. We are going to enter into agreements and people will want to abrogate them. There will be people wanting zones that are impracticable. I can see all kinds of pressure being brought to bear on the Department

<sup>75</sup>Cox, "The Limits of Reform," 559, 562-3.; Saywell, 'Just Call Me Mitch,' 171, 206-7.

<sup>76</sup>AO, Labour, RG 7-15-0-32, F.D. Tolchard, City of Toronto Board of Trade, to Mitchell Hepburn, 12 April 1935.

<sup>77</sup>For a more detailed discussion of the CMA's position see Cox, "The Limits of Reform," 564-5.

<sup>78</sup>*Saturday Night*, 6 April 1935, copy in AO, Labour, RG 7-15-0-75. Also "Comments Re Industrial Standards Act By Saturday Night," 27 February 1936 including: "Consumer Ignored in Ontario Wage Fixing," 1 June 1935; "Industrial Standards Act Not a Success," 9 November 1935; "Ontario Code Transgresses Civil Liberties," 7 January 1936; "Labor Codes Used as 'Big Stick' by Unions," 29 February 1936.

which we will have to resist, and all kinds of responsibilities which we will have to accept, but I think the conditions of our industrial life warrant us doing so.<sup>79</sup>

One responsibility that the government would ultimately not accept was the enforcement of industrial standards. The responsibility for enforcement was to be exercised by the Minimum Wage Board, although the onus for investigating complaints resided with an advisory board composed of employer and union representatives in each industry. The Minimum Wage Board was ill-equipped and unwilling to prosecute many cases brought to it by the ISA Advisory Boards and instead relied upon weak out-of-court settlements, numbering approximately 200 per month.<sup>80</sup> Very few formal charges were laid.<sup>81</sup>

In response to questions in the legislature in 1936 about the enforcement of the Act, David Croll, who took over the labour portfolio after the departure of Roebuck, dismissed those who pushed for stricter enforcement:

We don't like sledge-hammer legislation. We don't like to enforce a social statute with a squad of policemen. If policemen are needed to ensure observance by a majority of those in the industry concerned, then the Act is a failure and we can only scrap it and consider that its introduction was premature.<sup>82</sup>

A squad of police, however, was required to enforce the Act; consequently, the Labour Department was attacked by the Toronto District Trades and Labour Council (TDTLC) for dropping charges against offenders and generally failing to uphold the Act. Mr. Bruce, one of the TDTLC delegates, charged that "the department is acting in a way to negate its own legislation." A building trades' worker wrote to David Croll advising him that the Act was "being laughed at by the very people who were to be made to toe the line."<sup>83</sup> In the garment industry, where the Act was applied and a legally binding wage scale imposed, employers could avoid the ISA's

<sup>79</sup>AO, Labour, RG 7-1-0-154, "Report of a conference between members of the CMA and Arthur Roebuck, held in the Parliament Building, 30 January 1936," Arthur Roebuck, 30, 27.

<sup>80</sup>Cox, "The Limits of Reform," 569; Jacob Finkelman and Bora Laskin, "The Industrial Standards Act of Ontario and its Administration," Workers Educational Association of Canada, prepared for the Labour Research Institute, Vol. 2. No. 1 (July 1936), copy in AO, Labour, RG 7, 1-1-8 (November 1935-April 1937).

<sup>81</sup>See Police Commissioners Annual Reports, 1935-7, 1939-40, copies available at Police Headquarters, Toronto. There was no copy of the report for 1938, and a copy was not held at the City of Toronto Archives.

<sup>82</sup>AO, Labour, RG 7-1-1-3, David Croll's speech before the legislature before the introduction of the 1936 amendments to the ISA, cited in Parr, *The Gender of Breadwinner*, 222.

<sup>83</sup>"Labor Department Lashed by Unions," *Mail and Empire*, 6 March 1936; AO, Labour, RG 7-15-0-32, W.J. Douglas, Sec. Amalgamated Building Workers of Canada, Toronto, to David Croll, 10 August 1935.

provisions where there was no union to enforce it. George Timms, a skilled cutter at Rubin Cloak Company, wrote a letter of complaint (later verified through an investigation) that he and many others were receiving illegal wages:

This shop also employs a Trimmer, on Full Time, this man is a fully efficient cutter and trimmer but is just a little bit simple which Mr. Rubin takes advantage of. He arrives at work every day at 8 a.m. and is compelled to work through until 8 p.m. and sometimes until midnight and after, every day of the year. He is compelled to go in on every gentile holiday including Xmas and New Years day and for this he gets no wages. Mr. Rubin himself told me he costs him about \$9 a week. The arrangement, so I understand, is that he pays his room rent and gives him a few dollars and buys him some clothes occasionally, the man is half-starved, ragged and is nothing more than a slave and prisoner, this has been going on for a long time.<sup>84</sup>

The employer evaded the provisions of the ISA by calling this man a messenger and odd job man, thinking "it a great joke." The Minimum Wage Board stepped in but Timms had already been fired; the boss did not take long to figure out who the IS officer was referring to when he stated (against Timms's expressed wish) that an employee had complained. The "half-starved" worker was also fired, and as a final indication of the crisis in enforcing the ISA, the case was withdrawn and Rubin never stood trial.

Joy Parr, who focuses on the application of the ISA to the furniture industry, argues that the weak enforcement of the Act by the government explains much of its shortcomings (a position also put forward by Harold Logan), while also acknowledging that many employers initially welcomed the Act because it gave them a weapon to fight back against "chiseling employers" who were cutting into their business.<sup>85</sup> This is an accurate assessment but Parr fails to deal with the possibility that the Act was intended to be supported, and enforced, by organized labour. This position is supported by Cox's argument that Roebuck had drafted the legislation with the belief that organized labour would have to raise wages through its "own industrial power." Consequently, while Parr observes that workers had to use their own power, such as during the province-wide furniture strike of 1937, to bring the Act back into force in their industry, she sees the subsequent strikes against Hanover's non-conforming "chiseler," Jacob Spiesz, as an indication of the failure of the Act and the government. An alternative interpretation is that the Act, by design or development, rested not only on what Bora Laskin has called "employer and employee collectivities," but on the *ability* of unions to strike against non-conforming employers in the interest of both the workers they represented, and their employers. This alternate interpretation of the development of the ISA turns on the logic of "regulatory unionism."

<sup>84</sup> AO, Labour, RG 7-72-0-29, George Timms to David Croll, 6 March 1937.

<sup>85</sup> Harold Logan, *Trade Unions in Canada: Their Development and Functioning* (Toronto 1948), 458-64; Joy Parr, *The Gender of Breadwinners*, 220-4.

*The Turn to Regulatory Unionism: 'To Drive Out this Wolf'*

Nothing in the world causes more discontent in a man than for him to ask for a thing he thinks he is entitled to get and which you know well you are not going to give him.<sup>86</sup>

From the moment that the ISA was introduced, the government turned to organized capital and organized labour to establish voluntary agreements that would make the industrial codes effective. If the government was reluctant to enforce the codes, and businesses could not be trusted to universally observe them, then unions could be used to bring rogue capitalists to heel. In a meeting with the CMA in 1935, Roebuck pointed out that "a great deal of loss" had occurred as a result of labour disruptions and strikes and this was largely because fair wages and fair working conditions were under assault from about 5 per cent of employers who used "sweatshop methods, undercutting prices and generally bedeviling the whole situations" while "grind[ing] the noses of the workers to be able to sell at prices that are outrageous." As a solution, he invoked a few examples in which he had "seen employers and unions joining hands to drive out this wolf in industry."<sup>87</sup> It is consistent with the evidence to suggest that Roebuck and Croll intended the ISA to give unions the powers to eliminate cut-throat competition in co-operation with business, and simultaneously get workers off relief without drawing the state into an enforcement nightmare (which is, after all, why they did not simply extend the minimum wage to cover male employees).

The role of unions in enforcing industrial codes and establishing a more equal plane of competition between employers has been most fully developed in the American context by Colin Gordon for the period from 1920 to 1935. Drawing upon a wide variety of sources, Gordon argues that after World War I American capital faced a crisis of excess capacity that spawned vicious competition. Business attempted to control market mechanisms and "unfair" trade practices (albeit sporadically and unevenly) by appealing to the state and forming business associations, monopolies, and corporate concentrations (mergers and acquisitions), although the results, if not the structures, were usually disappointing or short-lived.<sup>88</sup> In several key industrial sectors (notably construction, printing, the needle trades, bituminous coal, trucking, glass, and pottery), capital actively enlisted organized labour as a

<sup>86</sup>AO, Labour, RG 7-1-0-154, "Report of a conference between members of the CMA and Arthur Roebuck, held in the Parliament Building, 30 January 1936," Mr. Shenston, factory owner to Arthur Roebuck, 23.

<sup>87</sup>AO, Labour, RG 7-1-0-154, "Report of a conference...", Arthur Roebuck, 2.

<sup>88</sup>Alan Dawley, *Struggles for Justice: Social Responsibility and the Liberal State* (Cambridge, Mass. 1991), Ch. 8-10. Dawley discusses the rise of American corporate concentration and power in the 1920s, and identifies the ideological and material consequences of the technocratic "managerial revolution," which was closely related to the rise of "industrial cooperation" through trade associations. Although shaken by the collapse of the 1930s, and forced into an alliance with the state, large capital continued to develop collective tendencies.

means of controlling the market. "Unionization allowed firms to discipline marginal competition by unifying labour costs across an industry and restricting the entry of new firms." Gordon refers to this arrangement as "regulatory unionism," which he considers a natural complement to the drift away from class-conscious unionism, evident in the emergent conservatizing tendencies of the 1920s (also known as "trade union capitalism," "business unionism," "job conscious unionism," or "class collaboration").<sup>89</sup> Because only 10 per cent of the American workforce was unionized in the 1920s, regulatory unions never became firmly entrenched or widespread; but with the crisis of the Great Depression, the state and broad sections of capital began to look upon unions as a way of stemming competition and restoring order to the market.

Roosevelt's New Deal legislation ultimately turned to regulatory unionism as a means of reducing competition after attempts at regulating prices and wages by capital and the state faltered and then failed. The National Industrial Recovery Act (NRA) of 1933 demonstrated the state's weakness and reliance upon businesses to cooperate with their competitors (only 2 of over 500 codes were actually imposed upon business by the NRA, the rest were voluntarily agreed to). Despite the bluster of General Johnson, who headed the NRA's industrial program, the codes were by-passed, evaded, weakened, undermined, and manipulated before the Supreme Court struck down the legislation as unconstitutional in 1935. After the fall of the legislation, "little NRA's" were enacted in industries (schooled by the past "two year course in cartelization and collusion") where no legal challenge was likely, but other business leaders looked to a national labour law as a means of enforcing voluntary agreements among themselves. The National Labor Relations Act (more commonly known as the Wagner Act) was Roosevelt's response to the failure of the NRA and, despite the vocal opposition of many business leaders (who thought it went too far), it would serve their interests by achieving the market stability they had failed to voluntarily construct with their rivals, or adequately implement under

<sup>89</sup> Gordon, *New Deals*, 88-9, 92. For a lengthy discussion of the popularity, the central ideas, and the pre-1940s literature on voluntary trades associations see John Perry Miller, *Unfair Competition: A Study in Criteria for the Control of Trade Practices* (Cambridge, Mass. 1941), esp. 283-305. See Ronald Radosh, "The Corporate Ideology of American Labor Leaders From Gompers to Hillman," *Studies on the Left*, 6, 6 (Nov.-Dec. 1966), 66-88. Radosh argues convincingly that conservative labour leaders and "far-sighted industrialists" colluded to bring unions into a junior partnership with capital in the 1920s and 1930s. Philip Foner's critique of Radosh forces a consideration of the role workers (not labour bureaucrats) played in forcing capital to accommodate unions. Philip Foner, "Comment," *Studies on the Left*, 6, 6 (Nov.-Dec. 1966), 89-96. Also see James Weinstein, *The Corporate Idea in the Liberal State, 1900-1918* (Boston 1968). For the debate between Weinstein and Foner over the progressiveness of certain business élites see James Weinstein, "Gompers and the New Liberalism, 1900-1909," *Studies on the Left*, 5, 4 (Fall 1965), 94-105; Philip S. Foner, "Historical Materialism and Labor History," *Studies on the Left*, 6, 2 (Mar.-Apr. 1966), 71-5; James Weinstein, "Reply," *Studies on the Left*, 6, 2 (Mar.-April 1966), 76-80.

state tutelage. Employers in industries with experience in regulatory unionism were the most tepid opponents, but even staunch anti-union employers in the mass production industries could see some use in federal intervention that would allow them to shape alternatives to troublesome craft or radical unions. DuPont, for example, actually pressed its company union to apply for CIO membership in the hope that its local conservative leadership would ward off a more radical alternative, and keep the craft unions at bay.<sup>90</sup> Although business opposed the Wagner Act and the steady rise of unionism, many firms signed union contracts and grudgingly surrendered some managerial control to organized labour. According to Gordon, the Wagner Act turned the principles of the NRA inside out as the emphasis shifted from establishing competitive standards (by regulating prices and to some extent wages) to empowering labour organizations to enforce them.<sup>91</sup>

In the 1920s and 1930s Canadian capital faced many of the same competitive dilemmas as its American cousins, and followed a surprisingly similar pattern of regulatory efforts that strove to drive competition from the economic system. A Canadian movement toward reduced competition, through mergers, acquisitions, cartels and trade associations, paralleled American developments. In numerous sectors of the Canadian economy, competition was circumvented by formal and informal collective business strategies. By the end of the 1920s informal price agreements among producers "governed the sale of agricultural implements, beer, various iron and steel products, gasoline, sugar, canned goods, and textile products," while more formal price and production agreements monitored "fertilizers, leather, rubber footwear, tobacco products, and various kinds of hardware, plumbing, and heating equipment."<sup>92</sup> The stability of these arrangements varied widely between industries. Where a single producer controlled a significant share of productive capacity, such as Imperial Tobacco with 75 per cent of production, restrictive sales practices were used to ensure that a standard price for cigarettes was respected by wholesalers and retailers. Those who sold under price, or promoted under-priced competitive brands, simply had their supplies cut off. Industries with more competitors, such as baking or rubber footwear, first formed

<sup>90</sup>Gordon, *New Deals*, 174, 200-3, 211, 235.

<sup>91</sup>Melvyn Dubofsky, *The State and Labor in Modern America* (Chapel Hill, NC 1994), argues that unions benefited from state intervention in several periods of American history, including the 1930s. Lizabeth Cohen, *Making a New Deal: Industrial Workers in Chicago, 1919-1939* (New York 1990), produces an impressive history of this period that draws out the power of ethnic working-class subcultures, but perhaps overstates the degree to which workers humbly embraced the welfare state before turning to "Washington to deliver the American Dream." (289)

<sup>92</sup>Reynolds, *The Control of Competition in Canada*, 8-12; Traves, *The State and Enterprise*, 76-7. For a good summary of the merger movement and "welfare capitalism" see Palmer, *Working Class Experience*, 214-19. Marketing boards were also established during this period as a method of managing competition in some sectors of agriculture and primary resources.

associations and circulated price lists, but eventually set production quotas to eliminate competition driven by excess capacity. Rivalry in quality was reduced by agreements to standardize production processes and grades. Many of these trade associations actually gained more regulatory power in the first few years of the Depression. The rubber footwear manufacturers constructed an elaborate quota system enforced by the deposit of bonds (valued from \$10,000 to \$75,000) to be forfeited through fines should an auditor find irregularities. Container Materials (an elaborate shell company acting as the agent of a group of cardboard box manufacturers) actually paid a non-conforming competitor not to produce, and then bought the factory and dismantled it.<sup>93</sup>

Associations, cartels and other mechanisms intended to eliminate competition became fragile or ineffective as the depression deepened, particularly in areas of the economy which required a small amount of start-up capital. Trade agreements fell apart because of non-compliance in the hosiery, woolen and worsted goods, and wool yarn industries as members defected with apparent impunity from collective trade sanctions. In the boot, shoe, clothing, and furniture industries, the large number of producers rendered any collective effort nearly impossible. While there is no developed literature on regulatory unionism in Canada, certain industries in the 1920s turned towards "responsible" unions for some stability. Harold Logan points to the role of unions in the pulp and paper industry in allaying the "fear on the part of some companies of a competition based on low wages."<sup>94</sup> Although labour only accounted for 10 per cent of the production cost, the profit margins were often small enough to make the equalization of wages across the industry a matter of vital importance to the maintenance of equalized prices. Indeed, wage-based competition from plants in the American South was eliminated by a successful unionization drive.<sup>95</sup> A much more overt example of regulatory unions was the role of the United Association of Plumbers and Steamfitters in bringing about and enforcing regulated competition in conjunction with an association of master plumbers and plumbing supply dealers in southern Ontario in the late 1920s.

While it is difficult to determine how prevalent regulatory unionism was within Canadian industry in the 1920s, it was recognized by some employers as a useful complement to trade associations and a valid form of responsible business union-

<sup>93</sup> Reynolds, *The Control of Competition*, 18-30

<sup>94</sup> Logan, *Trade Unions in Canada*, 121-2.

<sup>95</sup> In fact the success of the union in this industry mirrored the pattern of market control by Canadian producers. Always dominated by "price leaders," the industry prospered and expanded until 1927, when excess capacity prompted leading firms to establish an industry cartel through a joint selling agency. Its failure resulted in cut-throat competition and the expulsion of the union, until 1935 when the union succeeded in organizing almost the entire industry. Two years later the Ontario and Québec governments used their legislative power to set prices and production quotas. Logan, *Trade Unionism in Canada*, 121; Traves, *The State and Enterprise*, 77-78; Radforth, *Bushworkers and Bosses*, 18-9; Bliss, *Northern Enterprise*, 427.

ism. In some respects the Canadian labour movement had been groomed for this role by moderate and conciliatory leaders. In 1919, Trades and Labour Congress President Tom Moore endorsed Whitney councils as a means of promoting harmony in industry. The Canadian National Railway's B&O plan developed the notion of "teamwork" to the point that the union was disciplining rebellious workers. "Fordism" and "Mondism" economically tied workers' efforts, and their unions, to the profit rates of capital, thus fostering the myth of the mutual interest of capital and labour.<sup>96</sup> Canadian labour's new found desire to spread the gospel of class collaboration was limited in the 1920s by their organizational weakness and capital's own ability to manage competition through amalgamation and association while taming labour unrest through "welfare capitalism." The rise of welfare capitalism mirrored the sagging fortunes of "sensible" unionism, while also signaling capital's willingness to materially accommodate workers. A 1928 survey of 300 Ontario firms employing 185,000 workers revealed that a significant percentage of them offered some sort of welfare scheme including pensions, group insurance and bonus systems; a surprisingly high 48 per cent had works councils or shop committees.<sup>97</sup>

With the onset of the Depression, many of these welfare schemes were scaled back or dismantled as the cost became burdensome. At the same time many business associations were strained, or collapsed, as members faced with failure turned to independent alternatives that involved direct and often vicious competition. Relief labour put a particularly sharp edge on the desire of business for industrial regulation. Some associations would hold together or regroup, but others would look to the government for solutions. In this context the ISA represents a partial adoption of the principles of both the NRA and the Wagner Act; it gave business the legal sanction it needed to extend voluntary industrial codes, and it gave labour some of the power it required to enforce them. Undoubtedly, Roebuck had hoped that the union movement would grow as a result of the government's encouragement, and be able to meet its new mandate. In response to business concerns that "responsible" unions would not have the strength to participate in the establishment and maintenance of industrial codes, Roebuck reasoned that "anything that gives powers to organizations and makes them successful, should build them up. You don't want to belong to an organization that does not accomplish anything. You are always ready to join an organization after it has done something and which has

<sup>96</sup>Charles Lipton, *The Trade Union Movement of Canada, 1827-1959* (Montréal 1968), 237-253, esp. 238-9.

<sup>97</sup>Traves, *The State and Enterprise*, 89. For a detailed discussion of welfare capitalism see Bruce Scott, "A Place in the Sun: The Industrial Council at Massey-Harris, 1919-1929," *Labour/Le Travailleur*, 1 (1976), 158-92. Also see Neil Tudiver, "Forestalling the Welfare State: The Establishment of Programmes of Corporate Welfare," in Allan Moscovitch and Jim Albert, eds., *The Benevolent State: The Growth of Welfare in Canada* (Toronto 1987), 186-204.



something to do."<sup>98</sup> This statement, appearing in the transcript of a meeting with the CMA, was consistent with the signals emanating from the Ministry of Labour and the Attorney General's office that the ISA would result in less police interference with lawful picketing, would strengthen organized labour, "facilitate collective bargaining," and encourage unions and capital "to join hands" in their mutual struggle against sub-living wages. The state's refusal to hire individuals to police the act, or empower those who volunteered to enforce the Act under the direction of the joint board of union representatives and employers set up to administer ISA schedules, sent the message to workers that the ISA could only be effective when unions were willing to enforce minimum standards within their industry.<sup>99</sup>

Mark Cox, along with other commentators on the Act, thus overlooks the central role of unions in the *enforcement* of the ISA. The attempt to apply the ISA to the garment industry illustrates the role of strong trade unions and the strike in bringing force to the provisions of the Act. After many months of negotiations between the Joint Board of the Cloak, Suit and Dressmakers Union of Toronto and the Toronto Cloak Manufacturers' Association, agreement was reached on hours and wages (provided a similar agreement was reached under similar legislation in Québec, which was effected by careful politics in October 1935).<sup>100</sup> When several companies tried to evade the conditions of the ISA, and certain employers refused to join the employers' association, the needle trades unions responded with an industry-wide strike to force reticent employers to conform. As one unionized furniture worker in Hanover noted, "We got nowhere until we started to put our own force, to enforce our own standards."<sup>101</sup>

Similar patterns could be seen in the coal industry and in the hotel industry. Clearly the operation of the ISA demonstrates that in many areas of the economy, labour and capital were willing to work together provided they could master the market to their mutual benefit. Some employers were clearly swayed by the government's assurances that the ISA "would affect only employers who were competing ruinously with others by the unholy expedient of cutting wages to the

<sup>98</sup> AO, Labour, RG 7-1-0-154, "Report of a conference between members of the CMA and Arthur Roebuck, held in the Parliament Building, 30 Jan. 1936," 40.

<sup>99</sup> AO, Labour, RG 7-1-0-126, David Croll to J.M. Buckley, Secretary of the Toronto District Labour Council, 22 March 1937. R. Warren James, *The People's Senator* (Vancouver, 1990), 63; Cox, "The Limits of Reform," 559, 562-3; Saywell, 'Just Call Me Mitch,' 171, 206-7; Parr, *The Gender of Breadwinners*, 224; Bora Laskin, *Report of the Committee of Inquiry into the Industrial Standards Act*, Vol. 1, Jul. 1963, copy in AO, Labour, RG 7-1-12; AO, Labour, RG 7-1-0-154, "Report of a conference between members of the CMA and Arthur Roebuck, held in the Parliament Building, 30 Jan. 1936," 23.

<sup>100</sup> AO, Labour, RG 7-2-1-25, Louis Fine, IS Officer, to David Croll, 2 November 1935.

<sup>101</sup> Gordon Peck, quoted in Parr, *The Gender of Breadwinners*, 224.

starvation point" and supported the Act because it could force their competitors onto a level playing field, and bring stability to prices and profits.<sup>102</sup>

A good example of the ISA as a means of stabilizing prices is found in the barbering industry where attempts to regulate prices and wages began in the early 1930s. In September 1932 the journeymen barbers, organized under the leadership of the Journeyman Barbers International Union of America, won public support to establish uniform wages across the industry, as noted by a journalist for the *Globe*:

The public is friendly towards the barber and would like to see him assured of decent wages ... To ensure this the average man would be willing to pay more for the attention he receives while in the chair. And he would not object to higher charges *everywhere*.<sup>103</sup>

Although little is known of how successful the barbers were in maintaining wage rates and prices in their industry, there is evidence that the union was called upon to enforce uniform rates in the city. When Jewish master barbers, organized in the Jewish Section of the Master Barbers' Association, lowered their rates below what had been agreed upon by the other master barbers, the union struck 55 shops in an effort to re-impose the standard rates.<sup>104</sup> While this could be interpreted as an independent act by the union, the eagerness with which the barbering industry came under the ISA is indicative of the regulatory function of the union. Together with master barbers, the union set the hours of operations in all barber shops, negotiated a minimum wage of \$20 a week, controlled the licensing of those in the trade, limited the hours of labour and extended their reach to self-employed barbers who had to prove that they were paying themselves the equivalent of 24¢ a hair cut plus overhead costs.<sup>105</sup> The end result was higher prices throughout Toronto.

Some customers complained of the escalation in rates that accompanied the ISA, and asked "how can you expect a poor working man to pay the same for a hair cut as a rich man," but most employers embraced this arrangement which provided a level playing field and allowed them to focus on establishing loyal customers not likely to be seduced by lower prices or introductory "specials." J.W. Foster, a master barber, applauded David Croll for his actions because he found that competition made it difficult to pay his men what they deserved. The Act, if properly enforced,

<sup>102</sup> *AFL Weekly News Service*, Supplement, 27 March 1937, p. 2, copy in AO, Labour, RG 7-1-0-145.

<sup>103</sup> "A Word For The Barber," *Globe* (Toronto), 27 September 1932, copy in NAC, Labour, RG 27, Vol. 352 (128) Barbers, September 1932 (MNF T-2763), emphasis added. The consumer may have been politically willing to pay higher prices to allow for acceptable wages, but was probably unaware that prices had to rise higher than the wage increase in order to provide an incentive for employers to accept the scheme.

<sup>104</sup> NAC, Labour, RG 27, Vol. 353 (173) Barbers, December 1932 (MNF T-2764).

<sup>105</sup> AO, Labour, RG 7-2-1-6, David Croll to Harold White, 19 October 1936. The proximity between the employer and worker in the barbering industry (socially and physically) undoubtedly facilitated the alliance necessary to promote industrial regulation.

would allow him to do so he argued. Another master barber wished to extend and fine-tune industrial regulation, suggesting that the shops be graded so that working people could go to a lower grade shop for a cheaper hair cut, even suggesting that barbers be hired to cut the hair of people on relief so that they would not have "to cut each others hair."<sup>106</sup> Yet another Toronto Barber expressed strong support for the Act:

the hours the men have to work is a disgrace and certainly should not be allowed when so many have no job at all. I happen to be a barber and have a two chair shop. I really don't need a man at all except perhaps part time, but I am doing with out a lot of things I would like to have and sharing it with him as he is a deserving fellow with a small family to look after. In fact I pay my man \$15 ... plus percentage, but I am never the less ashamed of this salary for a married man. But as long as we have price cutting and unfair business methods as we have at present we can't get very far. It seems hardly fair that about 5% of any line of business should be allowed to spoil it for the 95% but that is the situation in the barbering trade.<sup>107</sup>

The unsuccessful attempt to introduce the ISA in Toronto's Photo engraving industry, in contrast, provides an example of a union lacking the strength to enforce standard working conditions and wages within an industry. Union conditions had prevailed in most printing shops in Toronto until a series of corporate mergers broke the union in a significant part of the industry. In 1928 Rapid Grip amalgamated with Rapid Electro Typing and set up Trade Engraving as a shell company to train imported non-union printers from Germany, Austria, France, Switzerland, and the United States. On 17 January 1929, Rapid Grip told its workers that they would have to renounce the union and take a pay cut or be fired. Forty-one workers walked out and were later joined by 18 workers from Battens Ltd. (it subsequently merged with Rapid Grip in January 1931). Government efforts to resolve the strike failed when the company reneged on its commitment to take back engravers who had not found other union work, and the union offered little spirited resistance when the company evicted them from the shop and had one printer arrested for trespassing. The open shop drive spread to the Reed Engraving Company, where the union simply abandoned the shop without a strike and allowed its "members to serve notice in the firm that they quit the union."<sup>108</sup> In January 1932, Rapid-Grip Batten

<sup>106</sup> AO, Labour, RG 7-1-0-106, "A working man's wife," Toronto, to David Croll, 22 October 1936; AO, Labour, RG 7-2-1-6, J.W. Foster, Toronto, to David Croll, 21 October 1936; Harold Whites, Toronto, to David Croll, 19 October 1936.

<sup>107</sup> AO, Labour, RG 7-1-0-145, J.S. Foster, Toronto, to David Croll, 18 March 1936.

<sup>108</sup> *Hamilton Herald*, 28 August 1929, copy in NAC, Labour, RG 27, Vol. 342 (2) Photo Engravers, January 1929 (MNF T-2754825). Rapid Grip had the workers sign a contract stipulating that they not join any union in Canada. The union had been unsuccessful in trying to get a judge to hear their case against these practices under the Alien Labor Law. Clipping from the *Labour Gazette*, March 1929, copy in NAC, Labour, RG 27, Vol. 342(2). William

absorbed Hood Rankin and broke the union as part of a national open shop drive that saw them lock out their employees in Winnipeg, London, Montréal, and Québec City.

With the demise of the union, working conditions deteriorated rapidly. The father of one young photo engraver wrote: "I have a son 24 years of age who is working for a photo finisher. He works from 7 a.m. to 6:30 p.m., is not allowed to leave the building for lunch, merely eating and going back to work. He is in an underground dark-room all these hours per day."<sup>109</sup> The situation was equally desperate for the remaining union employers in the industry. Wages represented 52 per cent of costs at an engraving plant, and the only way to compete was to break the union or ensure that everyone was unionized. George Brigden, of Brigdens Limited, described how the open shop had transformed the industry:

Competition between shops, prior to the years of the depression, was at all times the keenest, yet for the most part fair because of the fact that the wages paid and hours of employment were to a large degree similar and the number of apprentices never exceeded actual requirements ... the lean years of the depression ... brought into existence several new shops who, operating on a distinctly lower basis of remuneration and lengthened hours, brought about competition for business offering ... that has been impossible to meet ... if no action is taken to establish a legal code such as has been suggested, the shops paying higher wages will be forced to reduce the salaries of all their men to this lower level or be forced out of business entirely.<sup>110</sup>

Because of the established relationship between employers and the union, Brigdens and other union employers wanted the union to be empowered as a competition leveler and "welcome[d] the fact of the Photo-Engravers Union's insistence on a standard wage, hours of employment and ratio of apprenticeship."<sup>111</sup>

When a conference was held under the ISA, thirty non-union plants employing 112 workers opposed the schedules while other firms employing 341 workers supported the proposed rates (the union represented 229 workers).<sup>112</sup> While this would have normally translated into a code for the photo engravers, no action was taken by the government. This may have been in response to the opposition of the

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C. Colby, for F.D. Smith, Sec. Local 35, Photo Engravers Union, written on the back of the "report" form submitted to the Department of Labour, 5 March 1930.

<sup>109</sup> AO, Labour, RG 7-1-0-135, Frank Rice, Toronto, to David Croll, 20 July 1935.

<sup>110</sup> AO, Labour, RG 7-1-0-135, George Brigden, Brigdens Limited, Toronto, to David Croll, 13 December 1935.

<sup>111</sup> AO, Labour, RG 7-1-0-135, Brigden to Croll, 13 December 1935.

<sup>112</sup> AO, Labour, RG 7-1-0-135, Louis Fine to David Croll, 28 November 1935. See Sally F. Zerker, *The Rise and Fall of the Toronto Typographical Union, 1832-1972: A Case Study of Foreign Domination* (Toronto 1982), 205-222, esp. 207-8, for a discussion of the failed attempt by Toronto's Typographical Union (in concert with the Fair Shop Employers Association) in 1933 to regulate the industry, and then bring the printing industry under the ISA in 1935 and 1937.

Provincial Daily Newspapers Association, representing 24 newspapers, which spoke out against the establishment of a code, but it may have also reflected the weakness of the union. In any event the union and the unionized employers continued to share the burden of regulating the industry, and the union began to supply men to Rapid Grip with the intention of one day unionizing it again.<sup>113</sup>

### *Conclusion*

Although the ISA achieved more than most historians have acknowledged, the Act was in crisis by 1937 and seemed incapable of helping unskilled and unorganized workers. Large sectors of the economy were still non-unionized, and thus, did not receive any of the benefits of the ISA. The Act did not bring about extensive economic regulation, although it excited considerable interest in the possibility of government intervention. By 1938, over thirty-one different industrial sectors had been unsuccessful in their attempts to establish codes under the ISA in Toronto.<sup>114</sup> Workers in a diverse range of occupations came together with employers to regulate their trades and introduce minimum wages for men. Everyone from asbestos workers to waitresses attempted to organize around the possibility of the ISA.<sup>115</sup> It is difficult to determine what liberal politicians had in mind when they promised to raise wages for all workers and drive low wage employers out of business, but the process certainly kept public interest alive and focused on reform.

Despite its far-reaching aims, the ISA became a limited piece of legislation which relied heavily, in the words of labour lawyer Bora Laskin, upon "employer and employee collectivities to provide the substratum of support needed."<sup>116</sup> Only

<sup>113</sup>NAC, Labour, RG 27, Vol. 347 (34), Photo Engravers, May 1931 (MNF T-2758). Crompton "Memorandum to Mr. Bolton," Ottawa, 4 November 1936.

<sup>114</sup>Cox, "The Limits of Reform," fails to grasp the extent to which workers and some employers attempted to utilize the ISA. He singles out the building trades, the garment industry and a few other industries in which employers were familiar with unions to demonstrate the limited application of the Act. In fact many newly unionized workers used the Act (such as waitresses and coal truck drivers). By 1936, 35 separate codes had been established in Ontario, and more would have undoubtedly been forthcoming if enforcement had followed the passage of the Act.

<sup>115</sup>AO, Labour, RG 7-57, "Petitions under the ISA, 1938." The complete list of attempts includes beverage workers, boilermakers & welders, bowling alley workers, book binders, cap makers, carpet sewers, linoleum layers, cleaning and dyeing workers, electricians, excavating shovelmens and engineers, fur industry, interior fixtures, soft furniture, granite cutters, hospitals, hotel and restaurant industry, hairdressing, house and building wrecking industry, ice workers, iron workers, lathing industry, lithography, marble setters, metal polishers and buffers, operating engineers, pattern makers, plumbing & heating, roofers & mastic workers, sheet metal, shoe repair, and truckers.

<sup>116</sup>Bora Laskin, *Report of the Committee of Inquiry into the Industrial Standards Act*, Vol. I, July 1963, copy in AO, Labour, RG 7-1-12, quoted in Parr, *The Gender of Breadwinner*, 221.

when a significantly strong or numerous grouping of employers and workers came together could the Act be used to combat the "chiselers" who drove down prices and wages with their sweatshop practices, by legislating maximum hours and minimum wages for particular industries and locations. Where and when employers or workers were unorganized, the Act was virtually powerless to improve conditions for workers or bosses. Consequently workers in these industries lost faith in the ISA, although the need for economic intervention was no less pressing. Louis Fine, who argued so vehemently for the ISA, realized that it had utterly failed to reach the workers most in need of government support. In certain respects sweatshops were just as prevalent in 1937 as they had been in 1934. In the heart of Toronto, where so much agitation had occurred, Fine found men earning three to six dollars for a 50 hour week in 1937, and consequently urged the passage of a *minimum wage law for men*.<sup>117</sup> The ISA was not a dead letter — certain groups of workers continued to draw upon its spirit — but by 1937 it was clear that it was not going to effect substantial reform of the economic system.

The last paragraph of a letter sent in 1934 to the federal government's strike investigator in Toronto from the district representative of the Shovelmen and Operating Engineers Union, Local 1, would prove to be prophetic:

the buyers of government bonds, who are the banks, insurance companies, big finance groups and millionaires mostly may sit back and get the profits from relief loans, while they have the press tell the public it is those on relief who are getting the profits and bankrupting the country ... what vanity it is to hope that any government in our day would dare to stop exploitation and distribute profits on a basis of fairness and equality ... Greed and selfishness is the only thing that stands in the way, and is what is holding us in an ever deepening depression. Out of it a few are getting more than in the wildest boom times, while nearly half get nothing but that doled out by the governments. Short of Nationalization the most obvious remedy for this is the distribution of working time, regulating maximum hours down to where workers might be as scarce as money. If that ever becomes a fact workers will be very well protected. Of course I doubt very much that governments are as yet ready to battle money to that extent.<sup>118</sup>

Indeed the hand at the helm of state was not only timid in its "battle" with capital but contradictory. At the head of state stood Premier Mitch Hepburn, a near rabid anti-Communist onion farmer (Mackenzie King described Hepburn as a "Fascist leader") with substantial personal interests in the strike-plagued northern Ontario gold mines.<sup>119</sup> In contrast there was David Croll, a working-class Russian Jew whose popularity as Mayor of Windsor sprang from his strong support for unions, and Arthur Roebuck, who had sympathies for labour and secretly harbored admi-

<sup>117</sup>AO, Labour, RG 7-1-0-179, Louis Fine to M.M. MacBride, 25 April 1938.

<sup>118</sup>AO, Labour, RG 7-15-0-44, W.J. McDevitt, District Representative, National Union of Shovel and Operating Engineers, ACCL, Toronto, to James Marsh, 12 September 1934.

<sup>119</sup>Mackenzie King diary, 13 April 1937, quoted in James, *The People's Senator*, 67.

ration for Henry George's "single tax" philosophy of social progress.<sup>120</sup> These contradictions caused Croll and Roebuck to quit the government in 1937 amid a major CIO strike against General Motors in Oshawa. When the Premier denied relief to the strikers and marshaled a small army of auxiliary police to crush the strike, Croll finally decided that his "place was marching with the workers rather than riding with General Motors."<sup>121</sup>

But the personalities of those in government were not ultimately as important as the nature and strength of both reform sentiment and the union movement. The significance of the ISA lies in its relationship to the welfare system, the consequent proliferation of below-subsistence wages, vicious competition among capitalists, heightened class struggle, and the general legitimization of union struggles evident during and after the 1934 provincial election campaign. Ultimately, what drove the ISA, and drew the state so deeply into the relations of capital and labour, was the crisis of relief labour. Yet this unprecedented intervention did not translate into active policing and enforcement of the industrial codes established under the Act. Most historians have cited this failure as the legislation's Achilles heel, but it is more convincing to search for the logic of the ISA structure within the fractured consciousness of business which, while eager for deliverance from the market (and a return to profitability), found organized labour either responsible but weak, or strong and "irresponsible." The ISA was either enforced by unions and thus resisted by capital or inadequately policed by working-class bodies, and hence compromised and ineffective. As Philip Abrams reminds us, "what any particular group gets is not just a matter of what they choose or want but what they can force or persuade other groups to let them have."<sup>122</sup>

Ultimately the importance of the ISA lies not so much in the improvements it brought to discrete segments of workers (and this should not be understated), but what it reveals about the nature of welfare, waged labour, the union movement, competitive capitalism, business attitudes to industrial regulation, and the role of

<sup>120</sup>Cox, "The Limits of Reform," 559. For an interesting, if uncritical, biography of David Croll see James, *The People's Senator*, esp. Ch. 4-5. James argues that George McCulloh, editor of the *Globe and Mail*, backed by mining interests, had told Ontario's lieutenant governor that he was campaigning to remove Croll and Roebuck from cabinet. Both Croll and Roebuck were re-elected in 1937 with Communist support (Communist candidate Stewart Smith withdrew from the election in favor of Roebuck). Croll was apparently courted as Ontario CCF leader in 1937. Both sat as independent Liberals on the opposition benches in the legislature, although Croll was eventually brought back into the fold. See Gregory S. Kealey and Reg Whitaker, *R.C.M.P. Security Bulletins: The Depression Years, Part IV, 1937* (St. John's 1997), 380. Roebuck was respected by the left for his legal defense of the editors of *Vaupas*, a Finnish Communist magazine in 1929. See Lita-Rose Betcherman, *The Little Band: The Clashes Between the Communists and the Political and Legal Establishment in Canada, 1928-1932* (Ottawa 1983), 35-40, 214.

<sup>121</sup>Quoted in Abella, *Nationalism, Communism and Canadian Labour*, 17.

<sup>122</sup>Philip Abrams, *Historical Sociology* (Ithaca 1982), 15.

the state in managing the collective affairs of capitalism. It should be remembered, after all, that organized labour, and indeed all workers, had much to lose if the state stepped too forcefully into the market. Gerald White, an industrial engineer, made this point in 1934 when he argued that government control of economic life would mean that, "The rights of labour in this respect would be protected without the need of collective bargaining. A similar situation has developed under fascism. Its effect is that strikes tend to become outlawed and the incentive for unionization is lessened."<sup>123</sup> If nothing else, the ISA moved the state safely, to steal a line from Shelley's "The Mask of Anarchy," between the "Scylla and Charybdis of anarchy and despotism."

*The author would like to thank Bryan Palmer for his guidance and support, and Eric Tucker and Iain Scott for their comments on earlier drafts of this paper. The author would also like to thank the three anonymous reviewers for their helpful comments and suggestions.*

<sup>123</sup>Gerald C. White, "New Policy Problems in Industrial Relations," *The Quarterly Review of Commerce*, 1, 4 (Summer 1934), 199.



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