

# Manufacturers and Industrial Development Policy in Hamilton, 1890-1910

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Résumé de l'article

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# MANUFACTURERS AND INDUSTRIAL DEVELOPMENT POLICY

IN HAMILTON, 1890-1910

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*Diana J. Middleton and David F. Walker*

## ABSTRACT/RESUME

After failing to establish Hamilton as a major wholesaling centre, businessmen in the city concentrated their attentions increasingly on the manufacturing sector. City Council policies were extremely supportive of this focus, particularly in the period from 1890 to 1910, which is examined in this paper. Manufacturers themselves, however, are shown to have played a minor role in Council's activities. None of the key figures in promoting pro-development policies in Hamilton were manufacturers, despite the fact that those policies were designed primarily to stimulate manufacturing. At the forefront, rather, were professional men with business interests, supported mainly by merchants.

N'ayant pas réussi à imposer Hamilton comme centre important de commerce de gros, les hommes d'affaires de la ville s'intéressèrent de plus en plus au secteur de la manufacture. Les politiques du Conseil municipal favorisèrent extrêmement cette concentration, notamment de 1891 à 1911, période examinée dans cette étude. On montre toutefois que les manufacturiers eux-mêmes ne jouèrent qu'un rôle secondaire au Conseil. Aucun des promoteurs-clé des politiques favorisant le développement à Hamilton n'était manufacturier, malgré le fait que ces politiques avaient pour but d'abord de stimuler la manufacture. C'étaient plutôt des professionnels ayant des intérêts d'affaires à la tête du mouvement, soutenus surtout par les marchands.

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In the late 19th and early 20th centuries, many Ontario municipalities were involved in a scramble for new industries. Hamilton was no exception. City council pursued a policy of encouraging manufacturing expansion, not only by providing for improvements in essential infrastructure but also by direct aid in the form of lower taxes, bonuses, cheap land and low water rates. The objective of this paper is to examine the role that Hamilton's manufacturers themselves played in carrying out such a policy.

Hamilton had experienced growth during the 1850s but never

caught up with Toronto, which particularly undermined its commercial expansion, the key area of economic success for most other Canadian cities.<sup>1</sup> Therefore, after the 1870s the growth emphasis switched to manufacturing. Success in this sector can hardly be disputed. Industrial growth was apparent in terms of increasing size, diversity and numbers of firms in the city. Hamilton's rise as a great steel city became increasingly evident, and by the 1890s the city's favourite slogans had become "The Birmingham of Canada"<sup>2</sup> and the "Ambitious City."<sup>3</sup>

The two decades from 1890 to 1910 comprise the period for this analysis. While somewhat arbitrary and only part of a longer time span which will ultimately be examined, this was a time of rapid industrial and commercial development in Hamilton. Ontario was recovering from a depression in the early 1890s, and industrial employment in Hamilton grew only 6.1 per cent between 1891 and 1901.<sup>4</sup> Other cities of comparable size, however, fared worse. London experienced a negative growth rate of -5.9 per cent, while Ottawa's manufacturing employment grew less than 0.1 per cent. Toronto, alone, enjoyed considerable industrial development with a growth rate of 62.0 per cent. It was during this period that Toronto pulled firmly ahead of the remainder of Ontario to become the major industrial and commercial hub of the province.

In the following decade, manufacturing employment in Hamilton far exceeded that of any other large Ontario city, with a growth rate of 107.4 per cent. Toronto's industrial growth was only 53.5 per cent, while London grew 65.9 per cent and Ottawa 34.1 per cent. Population

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<sup>1</sup>D. McCalla, "The Decline of Hamilton as a Wholesale Centre," Ontario History, Vol. 65 (December 1973), pp. 247-254.

<sup>2</sup>General Committee of the Colonial and Indian Exhibition for the City of Hamilton, The City of Hamilton and County of Wentworth (Hamilton, 1886), p. 2.

<sup>3</sup>A. St. L. Trigge, The History of the Canadian Bank of Commerce, Vol. 3 (Toronto: The Bank of Commerce, 1934), p. 63.

<sup>4</sup>Census of Canada, 1891, 1901, 1911. (Figures for 1891 and 1901 are not entirely comparable because, for the first time, the latter Census did not include establishments with less than five workers.)

followed trends similar to manufacturing employment.

Increased presence of American subsidiary plants also marked this twenty-year period. Earlier in the nineteenth century foreign-born individuals settled in Hamilton to start industrial enterprises, often utilizing foreign capital and equipment. For example, the Gurney brothers, initiators of the largest and most successful foundry in early Hamilton, were of American ancestry. Such entrepreneurs, despite their foreign birth, exerted a positive influence on the city by settling down to become integral and positive forces in the community.

The establishment of branch plants was a different matter since control remained with the parent firm outside Canada. This development greatly increased Hamilton's industrial resources, however, and cannot be viewed in an entirely negative light. A decade and a half of the study period marks the years for the greatest growth in numbers of American firms in Hamilton. By 1890 only four firms of American parentage, Garlock Packing Company, Hamilton Cotton Company, Meriden Britannia Company, and Norton Manufacturing Company had settled in Hamilton. By 1913 branch plants in the city numbered forty-six.<sup>5</sup> This again illustrates the prominent role industrial development played between 1890 and 1910.

In these decades municipal development policy was generally active. Bonusing activity was common across the province and Hamilton was one of the few cities reported as being successful in this endeavour.<sup>6</sup> As Artibise has shown for Winnipeg,<sup>7</sup> local businessmen joined municipal politics as a means of protecting and expanding their interests. Therefore it is logical for our research on entrepreneurs to lead into an examination of their municipal activities.

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<sup>5</sup>F.W. Field, Capital Investments in Canada (Montreal: Monetary Times of Canada, 1914), p. 42.

<sup>6</sup>R.T. Naylor, The History of Canadian Business, 1867-1914, Vol. 2 (Toronto: James Lorimer and Company, 1975), pp. 148-149.

<sup>7</sup>Alan F.J. Artibise, Winnipeg: A Social History of Urban Growth, 1874-1914 (Montreal: McGill-Queen's University Press, 1975).

## MAYORS AND COUNCILLORS

Following Artibise's guidelines, the city council members and mayors were classified by occupation to illustrate the business interests on municipal council between 1890 and 1910. The categories are more specific than Artibise's and geared towards presenting a clearer representation of the involvement of the various types of businessmen in council's affairs. Instead of the general category of businessmen, this classification uses three separate groups: 1) merchants, for those individuals involved in wholesale and retail functions; 2) business services, including activities such as advertising and transportation; and, finally, 3) other business, a category including any activities that did not conform to the above. In addition, Artibise combines manufacturers and contractors in the same category. As Hamilton's early manufacturers are of primary concern to this study they have been given a separate category for clearer identification. A further discrepancy between these and Artibise's tables involves the use of double counting, which was necessary due to the broad and varied interests of many municipal personalities.

Many factors emerge from an examination of Table 1. Most obvious is the business dominance during the entire period. Combined totals of the first four categories (commerce and manufacturing) in each five-year period amounts to well over 50 per cent of the total in each group. In addition, 79 of the 152 aldermen between 1890 and 1910 owned and operated their own business. Table 2 lists any individual in business alone, as well as one who was part of a family business or a major partner in a firm. It does not, however, include anyone who was a member of the professional class.

Strength of the merchant class is readily apparent. Representation by the retailers and wholesalers varies from as low as one-quarter to greater than one-third of the total for any given period. The manufacturers remain fairly constant, at about one-quarter representation for the entire two decades. Some of the more prominent manufacturers to sit on council during these years included John E. Brown, whip manufacturer and wholesale wool and cotton dealer; Wm. J. Copp, a partner in The Copp Bros. foundry; J.I. McLaren, proprietor of The

TABLE 1

HAMILTON CITY COUNCIL MEMBERS - OCCUPATIONS

	1890-94		1895-99		1900-04		1905-09	
	<u>No.</u>	<u>Per Cent</u>	<u>No.</u>	<u>Per Cent</u>	<u>No.</u>	<u>Per Cent</u>	<u>No.</u>	<u>Per Cent</u>
1. Merchants	22	37.29	13	22.41	13	25.00	17	34.69
2. Business Services	4	6.78	2	3.45	2	3.85	1	2.04
3. Other Business	0	0	0	0	1	1.92	0	0
4. Manufacturers	15	25.42	15	25.86	11	21.15	13	26.53
5. Real Estate & Finance	4	6.78	5	8.62	4	7.69	3	6.12
6. Builders & Contractors	6	10.17	5	8.62	5	9.62	5	10.20
7. Professionals & Personal Services	8	13.56	13	22.41	11	21.58	8	16.33
8. Artisans & Workers	4	6.78	3	5.17	6	11.54	5	10.20
9. Not Classified	3	5.08	5	8.62	1	1.92	0	0
Totals	<u>59</u>		<u>58</u>		<u>52</u>		<u>49</u>	

Percentage totals do not add up to 100 per cent because some individuals are involved in more than one activity and are therefore counted twice.

TABLE 2

COUNCIL MEMBERS OWNING THEIR OWN BUSINESS

1. Thomas Allen - builder and contractor
2. Will Applegath - men's clothing store
3. Henry Arland - "Arland and Bros." - boots and shoes
4. Wm. G. Bailey - "Lake and Bailey" - flour and feed
5. C.C. Baird - grocer
6. Peter C. Blaicher - "P. Blaicher & Sons" - druggist
7. Thomas Brick - carter
8. John E. Brown - whip manufacturer and wholesale wool and cotton dealer
9. John Carruthers - flour and feed
10. T. Clappison - part owner, "Hamilton Engine Packing Co."
11. Fred Claringbowl - jeweller
12. Wm. J. Copp - "Copp Bros." - foundry
13. W.H. Cooper - "Cooper Construction Company"
14. D.R. Dewey - "Dewey Coal Co."
15. James Dixon - "Dixon Bros." - wholesale fruitiers
16. Wm. Doran - "Doran Bros." - vinegar works
17. James Dunlop - "J. Dunlop & Co." - flour and feed
18. Alex Dunn - proprietor, St. Nicholas Hotel
19. James Dwyer - undertaker
20. William Farrar - clothing store
21. James Ferres - "Ferres & Co." - hardware
22. John Field - livery
23. R.S. Fraser - dry goods
24. George Frid - brick manufacturer
25. John Forth - grocer
26. Charles Gardner - men's furnishings
27. H.J. Gilbert - boots and shoes
28. Geo. J. Guy - "Gillies-Guy Co." - coal
29. J.T. Hall - "McCallum & Hall" - cabinetmakers
30. Wm. Hancock - builder and contractor
31. A. Hannaford - "Hannaford Bros." - plasterers
32. J.P. Hennessey - "Hennessey & Bros." - druggists
33. H.H. Hurd - "Hurd & Roberts" - marble dealers
34. W.H. Judd - "Judd & Bro." - soap manufacturer
35. Thomas Jutten - boatbuilder
36. M. Kennedy - "Kennedy & Bros." - clothier
37. John Kenrick - grocer
38. S.S. King - pump manufacturer
39. James Kingdon - "Kingdon, Smith & Co." - structural steel manufacturer
40. George H. Lees - manufacturing jeweller
41. Wm. J. McDonald - contractor
42. A.H. McKeown - tinware
43. J.I. McLaren - "Hamilton Coffee and Spice Mill"
44. J.P. McLeod - printer
45. Wm. W. Main - "A. Main & Co." - rope manufacturer
46. H.A. Martin - printer

TABLE 2 - *continued*

47. James Massie - boatbuilder
48. G.H. Milne - builder and contractor
49. James Miller - grocer
50. W.J. Morden - "W. & J. Morden Co." - produce merchants
51. W.S. Morgan - "Morgan Bros." - millers and whip manufacturers
52. Thomas Morris, Jr. - flour and feed
53. M.D. Nelligan - carriage manufacturer
54. Wm. Nicholson - coal and wood
55. D.J. Peace - tobacconist and cigar manufacturer
56. John Peebies - jeweller
57. John M. Peregrine - "Peregrine Coal Co."
58. R.C. Pettigrew - coal and wood
59. James Philip - "J. Philip & Son" - harness makers
60. T.H. Pratt - "Pratt & Watkins" - dry goods
61. R. Raycroft - grocer and butcher
62. W.G. Reid - "Hamilton Cigar Manufacturing Co.", and a wholesale grocery and wine business
63. Joseph Ross - carriage manufacturer
64. W.J. Ryan - "Hayes & Ryan" - flour and feed
65. Ithamar Smuck - flour and feed
66. Robert Soper - sailmaker
67. T.J. Stewart - "Hamilton Granite Works"
68. Daniel Sullivan
69. Hugh C. Sweeney - roofing and tinsmith
70. C.L. Thomas - piano manufacturer
71. J.H. Tilden - part owner, "Gurney Foundry Co."
72. Geo. E. Tuckett - "G.E. Tuckett & Sons Co." - tobacco and cigars
73. Eli Van Allen - shirt manufacturer
74. Frank E. Walker - furniture
75. Hugh S. Wallace - "J. Wallace & Son" - plumbers and tinsmiths
76. F.W. Watkins - "Pratt & Watkins" - dry goods
77. A.F. Webber - builder and contractor
78. Geo. H. Wild - farmer, horticulturalist
79. H.G. Wright - "E.T. Wright & Co." - japanned ware, etc.



Hamilton Coffee and Spice Mills; and J.H. Tilden, part-owner of The Gurney Foundry Company. The local paper, however, felt that manufacturers were not sufficiently involved in council, and therefore were jeopardizing the interests of their own class in the city. In an editorial comment of 1891 the paper states: "If more manufacturers would follow the example of Alderman Copp and Alderman Tilden, we would have fewer complaints from manufacturers and Hamilton would not be in the wheelbarrow stage of existence--a city with one railway."<sup>8</sup>

A lack of working-class representation on council is also notable. While the figures do rise 3 to 4 per cent after 1900, they remain under 12 per cent at their greatest. Even of those in the working class, only one, William McAndrew, can be truly classified as a strong representative of the labour point of view in Hamilton.

Table 3, illustrating mayoralty representation between 1890 and 1910, provides a different picture from that for council as a whole.

TABLE 3

MAYORS 1890-1909 - OCCUPATIONS

	No.	Per Cent*
Merchants	2	18.2
Real Estate and Finance	4	36.4
Manufacturing	3	27.3
Contractors and Builders	1	9.1
Professionals	3	27.3
-11 Mayors in 20 years		

\*Percentage totals do not add up to 100 per cent as some individuals were counted twice.

<sup>8</sup>Hamilton Spectator, October 27, 1891, p. 5.

Mayors in real estate and finance formed by far the most dominant group in contrast to the merchants on council. Equal representation in the categories of merchants, manufacturers and professionals and absolutely no working class representation are also notable. It seems likely that the strong representation in the real estate and finance group is timely. Realtors and financiers stand to benefit most directly and fully from economic growth and development. As a result, men in this field would have the greatest desire to acquire the most influential position in municipal politics in order to gain control and direct the channels of development more to their satisfaction.

Three prominent manufacturers were mayors during this period. They included George E. Tuckett, John I. McLaren and T.J. Stewart. Tuckett was the instigator of a tobacco and cigar firm that was to eventually develop into three separate successful firms prior to its 1912 reorganization into Tuckett's Limited. Before its final dissolution the firm had reached a capitalization of \$2,000,000.<sup>9</sup> McLaren, as proprietor of "The Hamilton Coffee and Spice Mills" owned one of the largest and most successful of such firms in Hamilton. He purchased the business in 1888 from his previous boss, and saw it expand greatly under his control. McLaren developed two successful brands that sold countrywide; "Invincible" jelly powder and "Ocean Wave" baking powder. By 1913 the firm had changed location three times due to increased scale. McLaren continued successfully to manage the firm into the 1920s while broadening his other interests.<sup>10</sup> Lastly, Stewart was the owner of the "Hamilton Granite Works" from 1900 onwards. He also held directorships and presidencies of other manufacturing establishments including Sutherlands Limited (soft drinks) and the Tru Knit Mills, Underwear Manufacturers.<sup>11</sup>

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<sup>9</sup>The Monetary Times, 1912, p. 164.

<sup>10</sup>Hamilton Collection, "Herald Scrapbooks," Vol. II. Unpublished, p. 45 (available at the Hamilton Reference Library); and Richard Butler, "Saturday Musings," A Series of Weekly Articles from the Spectator. Volume 3, p. 260 (available at the Hamilton Reference Library).

<sup>11</sup>Prominent People of the Province of Ontario (Ottawa: Canadian Biographies Ltd., 1925).

It should be noted that several of these men also took an active interest in federal and provincial politics. Three of the eleven mayors during the period had wider political influence; John S. Hendrie was a senator for many years, T.J. Stewart was a member of the House of Commons and E.A. Colquhoun was a provincial M.P.P. In addition, several council members were also M.P.P.'s, including Henry Carscallen and Samuel S. Ryckman.<sup>12</sup>

#### MUNICIPAL INDUSTRIAL DEVELOPMENT POLICY

In these two decades, every level of government in Canada was involved with the stimulation of manufacturing. At a national level, protection was high and patent laws encouraged patent holders to manufacture quickly within the country.<sup>13</sup> Provincial governments looked to the expansion of their own provinces with Ontario, for example, taking active steps to encourage iron smelting and wood processing.<sup>14</sup> Municipalities found themselves bidding competitively to attract manufacturing. (The Appendix provides a detailed list of supports provided by Hamilton). Vast sums were spent because, in the absence of legislation, no place could afford not to take part. On several occasions, Hamilton's council, petitioned the Ontario Legislature to make it impossible for municipalities to give bonuses or tax exemptions. It is clear that several councillors objected to the whole process. For example, in 1895 Alderman Watkins stated his position as being opposed to bonuses of any kind on principle. His opinion was strongly supported by Aldermen McAndrew, J. Dixon, Doran and Findlay in the following years.

Supports to manufacturers included gifts of money (bonuses),

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<sup>12</sup>The Canadian Almanac (Toronto: Copp, Clark Company Ltd., Annual, 1890-1910).

<sup>13</sup>Naylor, History of Canadian Business, 2, pp. 38-68.

<sup>14</sup>H.V. Nelles, The Politics of Development: Forests, Mines and Hydro-Electric Power in Ontario, 1849-1941 (Canada: Macmillan, 1974), pp. 108-138.

tax exemptions, fixed taxation, maximum levels of taxation and maximum levels of assessments on which taxes were levied. Tax supports normally extended for a number of years. In addition, water rates were frequently set at low levels. Such financial inducements were designed to entice new plants into a city, to encourage expansions and even to retain existing companies. In Hamilton, for example, bonuses were granted in 1893 for an iron and steel works (\$75,000 for iron smelting and \$60,000 for steel) while Westinghouse received a 10 year tax exemption and fixed water rates in 1896. Support for J. McPherson and Company (1896) was offered to encourage the re-opening of a closed business, while an example of inducements to retain a company was evident in the case of Sawyer-Massey. The agricultural implements firms wrote to council in 1898 stating that "it will be necessary in order to retain our works in this city that important concessions be made by your council in the matter of assessment water privileges, etc." Concessions they required included that "the total assessment of real and personal property be limited and definitely fixed at the sum of \$40,000, to extend over a period of ten years and water rates during the whole of the same period be fixed." They also expected the city "at its own expense to lay down and connect with the works of the Company a 12-inch water main, and to maintain and continue the same without charge to the Company for construction." In addition, they asked for permission to lay down and use a switch along Wellington Street and for a promise that the city would use its influence to connect the company's premises with the Toronto, Hamilton and Buffalo Railway System.<sup>15</sup>

Companies paraded across Ontario in search of the best deal<sup>16</sup> and, while Hamilton did well in the competition, it was not always successful. The Heinz Company rejected an offer in 1897 and located a plant in Leamington instead. Table 4 offers a list of firms that had been given council support and were still receiving it during 1902.

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<sup>15</sup>City of Hamilton, Minutes of the Municipal Council, 1898, p. 339.

<sup>16</sup>Naylor, History of Canadian Business, 2, pp. 147-156.

TABLE 4

FIRMS SUPPORTED FINANCIALLY BY  
HAMILTON CITY COUNCIL, 1902

Name	No. of Employees		Weekly Wages
	Men Boys	Women Girls	
McPherson Shoe Co.	204	100	\$1,950
Eagle Knitting Co.	36	234	1,250
Imperial Vinegar Co.	7	-	-
Hamilton Distillery Co.	20	6	-
Chas. James Co.	23	1	150
F.W. Fearman and Sons	98	5	850
Canada Screw Co.	140	36	1,200
Toronto & Hamilton Sewer Co.	50	-	750
T. Lawry & Son (now Canada Fowler Co.)	45	450	-
Tuckett & Sons, T. Co.	190	70	1,800
Tuckett Cigar Co.	127	16	-
Ontario Lantern Co.	75	25	800
Meriden Britannia Co.	112	72	1,200
Westinghouse Airbrake Co.	112	-	1,600
Dowsell Co.	107	3	730
Smart, Eby Machine Co.	66	-	475
Sawyer-Massey Co.	275	-	3,100
Hamilton Brass Co.	106	1	800
B. Greening Wire Co.	163	37	1,500
Hamilton Bridge Co.	125	-	1,200
	2081	606	\$19,805

SOURCE: City of Hamilton, Minutes of the Municipal Council, 1902,  
p. 341.

It gives some indication of the scale of support offered.

There was, of course, a real danger that Hamilton's other manufacturers would object to such differential supports. The practice of granting tax exemptions to all companies in the city for a short period partly offset such opposition. These were usually on machinery, plant and tools for one year (e.g. 1890, 1896) but, in 1899, a similar five-year exemption was granted. Council also set conditions for most offers. One condition required the spending of specific amounts of money on a plant as, for example, in the case of The Iron and Steel Works. They were required to spend \$400,000 on iron and a further \$400,000 on steel development in order to receive their bonus.<sup>17</sup> Another criterion set a minimum amount of expansion over a period of years. The Hamilton Brass Manufacturing Company and B. Greening Wire Company were both obliged to expand 25 per cent to be eligible for continued council support.<sup>18</sup> Conditions even went beyond this to requiring Lawry and Sons Limited to provide a public stock yard,<sup>19</sup> and Fearman and Sons Limited to provide public cold storage facilities<sup>20</sup> in return for the concession awarded by council. The dates for such conditions to be met were often extended and sometimes dropped, but council did arrange for the visitation of firms. In 1900, the Assessment Commissioner was instructed to visit all supported firms annually.<sup>21</sup> His reports provide useful information on the employment and marketing patterns of several important firms.

Improvement of infrastructure also took up much of city council's attention at this time. The laying of sewers, paving of roads, provision of water supply and other capital works programmes were important elements in making the city a better place in which to

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<sup>17</sup>City of Hamilton, Minutes...1893, p. 216.

<sup>18</sup>Ibid., 1899, pp. 66-67.

<sup>19</sup>Ibid., 1898, p. 320.

<sup>20</sup>Ibid., 1898, pp. 308-309.

<sup>21</sup>Ibid., 1900, p. 338.

live. Street railways aided movement both within Hamilton and between the city and surrounding centres. Such improvements certainly were welcomed by businessmen, but other infrastructural developments catered more specifically to their needs.

Foremost in this category was freight transportation. Rail connections were crucial to manufacturers at this time. Hamilton's earlier protege, the Great Western, had been absorbed into the Grand Trunk and the city fathers were concerned about lack of rail competition in the city. Therefore, they took an active interest in the Toronto, Hamilton and Buffalo Railway (T.H. and B.) bonusing it much as they did the manufacturers. Offers to the railway included a right of way and \$175,000 bonus in 1890, and a further \$225,000 in 1892 and again in 1894. Other smaller offers, including a tax reduction, were made in the years to follow.

In the early 1890s, council meetings became the battleground for heated discussions surrounding the railway issue, as did newspaper editorials. There was an overriding concern that council was selling out the real interests of the city in return for personal gain. Such accusations were aimed specifically at Henry Carscallen who was solicitor for the Toronto, Hamilton and Buffalo Railway. It was widely believed that council was barring the entrance of other railways by its preferential treatment of the T. H. & B. In addition, the T. H. & B. was not meeting the requirements laid down by the various by-laws. They had begun little construction, created few jobs and damaged a large amount of private property in the work that had been done. A general consensus that the T. H. & B. promoters were all talk and no action prevailed. This attitude was evident in an article following the defeat of a T. H. & B. by-law: "The by-law to injure the city of Hamilton was not introduced into council last night."<sup>22</sup>

The issues surrounding the T. H. & B. died out late in the 1890s when work on the railway had begun on a large scale and council was tired of re-hashing the same matters. Discussion resurfaced in 1900

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<sup>22</sup>Hamilton Spectator, August 2, 1892, p. 4.

when a T. H. & B. branch line was to be built for the benefit of industry, in the north-east of the city. Council believed "any delay in the construction of such a branch would be a serious blow to the industrial interests of Hamilton."<sup>23</sup> This project, however, was brought to completion without controversy.

At the same time, council was occupied with attracting the Canadian Pacific Railway (C.P.R.) to Hamilton. A special committee met with W.C. Van Horne on several occasions in 1890 and 1891 to discuss the conditions under which his railway would enter Hamilton. Van Horne indicated that a route through Hamilton had been held up earlier due to financing problems, and subsequently the T. H. & B. had been given the best route. Council was prepared to offer a \$300,000 bonus, right of way and other concessions if the C.P.R. entered into an agreement with the city. No definite plans, however, were finalized.

The latter years of the study period showed a decrease in concessions offered to individual firms. More concern was expressed about harbour and rail improvements. Particularly in 1909, council was attempting to secure sidings to all major manufacturing firms in the city to eliminate transportation difficulties. Also concerning infrastructure, the debate over control of hydro-electric power became the main council issue beginning in 1907 and continuing until the city had its own street lighting system in 1914. By this time, hydro had become a public enterprise in most of Southern Ontario, but Hamilton already had a private company, The Cataract Power Co., which had served Hamilton's business very well. Unfortunately the company cared less about the average citizen, charging high domestic rates and providing poor street lighting and street railway service. Thus, while almost all businessmen supported Cataract and it mustered good support on council, it eventually lost to "a loosely connected group of municipal reformers, temperance societies, organized labour, and middle class opponents of monopoly."<sup>24</sup>

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<sup>23</sup>City of Hamilton, Minutes...1900, p. 83.

<sup>24</sup>R. Lucas, "The Conflict Over Public Power in Hamilton, Ontario, 1906-1914," Ontario History, Vol. 68 (December, 1976), p. 245.



To encourage manufacturing firms to come into Hamilton, council set up an Industrial Committee in 1903 whose purpose was "to promote the establishment of manufacturing and commercial enterprises in the city and vicinity,"<sup>25</sup> to advertise and to receive and interview prospective entrepreneurs and companies. It represented a considerable expansion of activities formerly carried out by the Reception Committee. Through this committee Hamilton council received the advice and support of several prominent industrialists in the city. Most notable was the service rendered by John Patterson, one of Hamilton's most important early entrepreneurs and instigator of The Cataract Power Company, the firm to supply Hamilton with its first hydro-electric power. Others included Walter B. Champ, president and managing director of Hamilton Bridge Company, Arthur P. Hatch, founder of Canada Steel Goods Company (later to become part of Slater Steel Company), and Robert Hobson, the first general manager and vice-president of STELCO, director of The Bank of Hamilton, and prominent in many other industrial concerns. It is interesting to note that The Globe considered the purpose of the Industrial Committee was "to see that other municipalities do not offer better advantages to manufacturers than Hamilton does."<sup>26</sup>

The local paper believed the Industrial Committee was successful "as it brought many an industry to the city and cost little to the ratepayers" since committee members covered their own expenses.<sup>27</sup> Personal conflicts on council, however, resulted in the failure of the committee to be re-appointed in 1904 and 1905. Many council members felt the Industrial Committee was composed largely of outsiders and was therefore insignificant to council as a whole. In addition, Alderman Stewart and MacLeod hastened its downfall by refusing to support it unless they themselves were appointed members. As the Hamilton Spectator indicated: "It is unfortunate for the city that the overweening ambition of a couple of alderman should stand in the way of the city's

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<sup>25</sup>City of Hamilton, Minutes...1903, p. 513.

<sup>26</sup>Quoted in Edward Porritt, Sixty Years of Protection in Canada, 1846-1907 (London: Macmillan and Co., 1907), p. 412.

<sup>27</sup>Hamilton Spectator, September 26, 1905, p. 5.

progress."<sup>28</sup> Attitudes changed with the new council in 1906 and the committee was re-established.

In conclusion, specific periods during the twenty years illustrated a tendency by council to offer a particular type of support. The early 1890s were characterized by the granting of total tax exemptions to various firms. Interest in acquiring rail links was also a major concern of council in the early years. From the mid 1890s to early 1900s support was in the form of taxation on maximum assessment. From 1903 onwards taxation on maximum assessment became automatic for any firm locating in the annexed area. Early years of the 1900s were also concerned with harbour improvements mainly to benefit manufacturers, while the final few years showed a marked interest in hydro. Bonusing was interspersed throughout the entire two decades.

#### POLICY GROUPS ON COUNCIL

The membership of City Council changed every year and each modification was accompanied by subtle shifts of attitude and policy emphasis with respect to industrial development. Even aldermen who sat on council for a long time changed their views on occasion. Thus, while pro- and anti-development groups can be identified in the 1890s, neither was clearcut nor consistent. Moreover, after the turn of the century a much greater degree of consensus was attained, at least on the subject of direct support to manufacturing firms.

During the 1890s the promotional group was strongly led by two men, Henry Carscallen and E.A. Colquhoun. Henry Carscallen was by profession a barrister and solicitor, but his interest lay largely in public and political life. He was an alderman for many years, a twice unsuccessful mayoralty candidate and a provincial M.P.P. He played active roles in both the liberal and conservative parties at different times. While on council, Carscallen was one of the most outspoken members

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<sup>28</sup>Ibid.

and was very involved with the influential finance committee.<sup>29</sup>

Edward A. Colquhoun was a financier, who had entered the service of The Bank of Montreal in 1864. When The Bank of Hamilton opened in 1872, Colquhoun left his previous position to join the new bank. While not being appointed cashier until 1882, Colquhoun was active in the establishment of branches, being the first agent at Port Elgin, the Bank of Hamilton's first branch. Colquhoun was also influential in public life as alderman and mayor at the municipal level and M.P.P. for Hamilton West from 1898 to 1902.<sup>30</sup> These two men dominated the position of Chairman of the Finance Committee, the most influential group on council with respect to promoting industrial development. They introduced almost every bill concerned with industry or industrial services in the decade.

The promotional group held a majority on council and a variety of members seconded bills introduced by Colquhoun and Carscallen. Such supporters included, for example, Peter C. Blaicher, a druggist who owned his own business (P. Blaicher & Sons) and later became mayor; Robert Griffith, a manufacturer who worked for Sanford, McInnes and Company; D.R. Dewey, a merchant owning his own coal and ice business (D. Dewey Co.); Wm. M. Main, a manufacturer who managed the family's rope factory; H.B. Witton, a lawyer who became president of G.E. Tuckett and Sons; and J.T. Hall, owner of two small industrial firms, and later Hamilton's industrial commissioner. Of these, the most outspoken were Blaicher, Hall and Witton.

These men were not necessarily in favour of all pro-development moves. Carscallen was particularly unhappy about the "ad hoc" character of bonusing decisions and attempted to establish criteria by which council could make its decisions.<sup>31</sup> He voted against exemptions for Lawry, Fearman and the Ontario Rolling Mills in 1898 in order to bring this

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<sup>29</sup>H.F. Gardiner, "The Gardiner Scrapbooks," Vol. 198, p. 168, (available at the Hamilton Reference Library); and Hamilton Reference Library, Clipping File, "Henry Carscallen."

<sup>30</sup>Trigge, Bank of Commerce, 3, p. 74.

<sup>31</sup>Hamilton Spectator, November 15, 1898.

point home,<sup>32</sup> but was not well supported in his stand. In general, there was less support within this group for bonusing rail companies than manufacturers and, in this respect, Carscallen stood apart. Most council members became thoroughly disillusioned as a result of their dealings with the Toronto, Hamilton and Buffalo Railway in the early 1890s but, as noted above, Carscallen, as lawyer for the company, remained loyal in his support. It caused ill feelings between Carscallen and other supporters of business such as Aldermen Blaicher, and W. Copp, the iron founder.<sup>33</sup>

There were some outspoken critics of the promotional group in the 1890s led by William McAndrew, who sat on council for thirteen years. After apprenticing with the Times Printing Company, he worked as a foreman for The Herald Printing Company most of his working life. McAndrew was one of the few municipal officials representing the working man in Hamilton and was strongly involved with the labour movement of the period. He was the first member of the Hamilton council to become officer of the Hamilton Trades and Labour Council.<sup>34</sup> McAndrew took a keen interest in the improvement of public services, serving on both the Health and Waterworks Committees. On council William McAndrew took the view that many proposals to help industry were designed to benefit a small elite group of businessmen and financiers. His support in the 1890s came from D.J. Peace, a tobacconist, A. Hannaford, a plasterer (Hannaford Brothers), William Hill, a butcher, William M. Findlay, a contractor for the Long Lumber Company, Thomas Brick, a carter and F.W. Watkins, partner in the Pratt and Watkins dry goods business. The opposition group was far less obvious after 1900.

In general, these aldermen were against the principle of bonusing. They were behind moves which led to deputations from Council

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<sup>32</sup>City of Hamilton, Minutes...1898, 314-315.

<sup>33</sup>Hamilton Spectator, June 11, 1891.

<sup>34</sup>Hamilton Collection, "Herald Scrapbooks," Vol. L1 - Labour. Unpublished, pp. 14-15 (available from the Hamilton Reference Library); and Hamilton Collection, "Times Scrapbook," Vol. 01, Part 2, p. 122.

to the Ontario legislature designed to forbid municipalities from offering financial inducements to manufacturers. Nevertheless they were aware that, under the existing situation, Hamilton could not afford to be the only place not making offers. In council, therefore, their objections were usually selective. Opposition existed if they felt supports were not needed; for example, those to the Eagle Knitting Company in 1898. The frustration at the situation in which opponents of the system found themselves was well expressed by Thomas Brick, who "said the poor man was taxed up to the last cent to help pay the taxes of rich men such as Tuckett and Lawry." Brick argued that, as Council insisted on supporting some of these companies, it should support all and exclaimed, "I'll be an applicant myself next year."<sup>35</sup>

In the 1900s, the two groups were less evident. In fact, councillors seemed to have moved together onto common ground, where most were against bonusing but would support some cases in order to allow Hamilton to compete against other cities. H.B. Witton, M.H. Teneyck, a veterinary surgeon, and S.D. Biggar, lawyer, took over as leaders of supportive measures, but they met little opposition. Conflicts in this decade were less marked than in the 1890s, and only became serious in the case of the city's contract for hydro-electricity. The nature of the difference of opinion here was not really a conflict between pro- and anti-development but mainly concerned general infrastructure rather than that designed primarily for manufacturers.

#### CONCLUSION

Hamilton manufacturers do not seem to have been prominent in promoting pro-manufacturing policy on council between 1890 and 1910. It was lawyers, financiers and other professionals who played the major role. Of the key figures, only Henry Witton was actually involved in manufacturing and then only as a secondary occupation. Nevertheless,

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<sup>35</sup>Hamilton Spectator, December 1, 1891.

the manufacturers certainly provided strong support and it is possible that much lobbying was done outside of council. It would appear, however, that the climate was supportive enough without the manufacturers making any special efforts to obtain further help. What is clear is that the local business community, partly because of its activity in municipal politics, managed to maintain a strong impetus to further development. The manufacturers do not appear to have stood out as a group. Rather most of the business elite involved themselves with several activities and supported each other, just as Macdonald has argued was the case for Canada as a whole.<sup>36</sup>

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<sup>36</sup>L.R. Macdonald, "Merchants Against Industry: An Idea and Its Origins," Canadian Historical Review, Vol. 56 (September 1975), pp. 263-281.

APPENDIX \*

- 1890 - offer of \$275,000 bonus and land for development to The Toronto, Hamilton and Buffalo Railway
- exemption on machinery, plants and tools in all factories for the year
  - annexation of part of Barton township particularly as a location for manufacturing establishments
  - exemption to American Whip Company--ten years without taxes on the new mill being erected
  - decision to offer \$300,000 bonus to Canadian Pacific Railway in an attempt to secure a line through Hamilton
  - other discussion concerned with the benefits of obtaining rail links through Hamilton
- 1891 - finance committee suggests organizing a committee to establish smelting works in the city
- 1892 - change and confirmation in by-law to grant bonus to Toronto, Hamilton and Buffalo Railway
- appointment of Reception Committee, partially to encourage the location of manufacturing and commercial industries in the city
- 1893 - re-appointment of Reception Committee
- \$125,000 bonus to St. Catherines and Niagara Central Railway
  - McCormick Harvesting Machine Company--tax exemption for ten years
  - Finance Committee recommends a ten-year exemption from taxation for the Eagle Knitting Company
  - offer of a bonus to smelting works--\$75,000 for steel works and a further \$60,000 for iron smelting works
- 1894 - a further \$225,000 bonus to Toronto, Hamilton and Buffalo Railway

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\*A majority of firms offered fixed assessment rates were also given a number of other concessions; particularly inexpensive water and guaranteed rail links. These vary and were not listed for each firm in order to keep the Appendix to a reasonable length.

- a by-law to grant extension of time to complete smelting works while still offering the previously arranged bonus
- 1895 - Hamilton Bridge Company--taxation on maximum assessment of \$30,000 for eight years
  - a further extension of time to complete smelting works
- 1896 - exemption on all machinery, plants and tools from taxation for the year
  - ten year tax exemption to Westinghouse Company
  - partial exemption to Dominion Cold Storage Company for ten years
  - Finance Committee makes several other recommendations for exemption, but they are not passed by council during the year
- 1897 - ten year exemption to McPherson Shoe Company--to encourage someone to reopen this business that had recently closed
  - Dowsell Brothers Company--taxation on maximum assessment of \$8,000 for ten years
  - exemption on all machinery, plants and tools for the year
  - Cataract Power Company given permission to begin operations in Hamilton
  - Finance Committee suggests that council offer tax exemptions, inexpensive water, etc., to H.J. Heinz Company of Pittsburg if they decide to choose Hamilton as a location for their branch plant
- 1898 - exemptions on all machinery, plants and tools for the year
  - Finance Committee recommends The Hamilton Tar Distilling Company be granted taxation on maximum assessment of \$1,100 for ten years
  - G.E. Tuckett and Sons--taxation on maximum assessment of \$3,200 for ten years
  - gave deed of confirmation to Hamilton Blast Furnace Company because they began operations by the promised date
  - Lawry and Sons--offered maximum tax of \$245 p.a. for ten years
  - F.W. Fearman and Sons--offered maximum tax of \$245 p.a. for ten years



- Hamilton and Toronto Sewer Pipe Company--taxation on maximum assessment of \$6,000 for ten years
  - Ontario Rolling Mills--taxation on maximum assessment of \$1,200 for ten years
  - Sawyer-Massey Company--taxation on maximum assessment of \$25,000 real and \$15,000 personal property for ten years--plus several additional concessions
  - Eagle Knitting Company--taxation on maximum assessment of \$7,000 real and \$6,500 personal property for ten years' Assessment to be based only on \$15,000 real and \$10,000 personal assessed as maximum
  - a committee was established to consider whether the city should operate its own light and power system
- 1899
- exemption on all machinery, plants and tools for five years
  - B. Greening Wire Company--taxation on maximum assessment of \$30,000 for ten years
  - Hamilton Brass Manufacturing Company--taxation on maximum assessment of \$18,000 for ten years
  - Imperial Vinegar and Pickling Company--offered maximum tax of \$130 p.a. for ten years
  - Meriden Britannia Company--taxation on maximum assessment of \$35,000 for ten years
  - Charles James Company--taxation on maximum assessment of \$2,500 for ten years
  - Smart-Eby Machine Company--taxation on maximum assessment of \$5,000 for ten years
  - Hamilton Distillery Company--offered maximum tax of \$2,500 p.a. for ten years
  - granting an extension of time to Ontario Rolling Mills for the establishment and operation of horseshoe plant
  - reassessment of by-law to Lawry & Sons, giving them an extension of time on their construction and operation
  - further activity concerning The Toronto, Hamilton and Buffalo Railway and The Cataract Power Company

- 1900 - request to the Grand Trunk Railway to allow the Toronto, Hamilton and Buffalo Railway to cross its lines in the north-eastern part of the city in the interest of industrial expansion in that part of the city
  - suggestion for Hamilton to take part in the Pan-American Exposition "with a view of showing its paramount advantages as a manufacturing centre"
  - Toronto, Hamilton and Buffalo Railway granted \$1,000 p.a. tax exemption
  - Assessment Commissioner--was instructed to visit all supported firms annually and produce an annual report on the same matter
  - council decides to send a representation to the Dominion government to ask for harbour improvements because of the heavy industrial use of the harbour
- 1901 - re-appointment of Reception Committee
  - fire and water committee suggest that council offer W.A. Holton Company, water at a rate of \$10.00 per year up to 4000 gallons/day and 7½ cents/1000 gallon for greater than that amount, if they establish their hosiery and knitting factory in Hamilton
  - council requests the dredging of the Burlington Canal because of the extent of use by manufacturers
- 1902 - grant a \$50,000 bonus to Deering Harvester Company to establish a plant in Hamilton
  - by-law setting water rates for all manufacturing establishments at 7½ cents/1000 gallons and 12 cents/1000 gallons for breweries
  - council annexes another part of Barton township to offer land to individuals and companies at fixed rates of taxation
- 1903 - Finance Committee suggests the mayor and two members of the finance committee be chosen to represent council on the Industrial Section of the Board of Trade and report back to council when necessary
  - re-appointment of Reception Committee
  - ask the Dominion government for a grant to aid in Hamilton harbour improvement--particularly for the benefit of industries in the city
  - Westinghouse Company--fixing its rate of assessment for fifteen years

- establish an Industrial Committee to promote and attract new industries to Hamilton
- 1904 - Frost Wire Fence Company--locate in Hamilton due to council's offer of taxation on maximum assessment of \$5,000 until 1918
- Petrie Manufacturing Co.--taxation on maximum assessment of \$5,000 until 1918
- 1905 - F.W. Bird and Son, Canadian Drawn Steel Company, Holton Shovel Company, R. McKie Buggie Company--all received taxation on maximum assessment of \$5,000 until 1918
- London Machine Tool Company and Baynes Carriage Company--both received taxation on maximum assessment of \$10,000 until 1918
- by-law ensuring sanitary condition for the meat packing establishment of J. Duff and Sons
- by-law compelling manufacturers to use smoke consumers
- 1906 - again appoint an Industrial Committee
- W.J. Tretheway and John McMartin offered taxation on maximum assessments of \$5,000 until 1918
- prohibit The Hamilton Steel and Iron Company from incorporating the Hamilton Terminal Railway Company, because council feels they would then have to allow other companies the same benefits, and the establishment of private railways would be a hindrance to legitimate public service
- Berlin Machine Company--taxation on maximum assessment of \$10,000 until 1918
- offered a maximum assessed value and fixed water costs until 1919 for purposes of expansion
- Philip Carey Manufacturing Company of Canada Limited--taxation on maximum assessed value of \$10,000 until 1918
- by-law concerning Manufacturers Natural Gas Company allowing them to begin operations in the city. It also set a maximum charge to manufacturers at 300 cents/1000 cubic feet
- concern on council with operation of Cataract Power Company
- appointment of special committee to investigate problems and look into benefits of Ontario Hydro
- 1907 - appointment of Industrial Committee for the year

- vote of qualified electors authorized on issue of a contract with Ontario Hydro
  - Canada Screw Company offered taxation on maximum assessment of \$125,000 for ten years to build its nail factory on Wellington St. rather than near the city hospital as planned
  - E.C. Atkins and Company of Indiana--taxation on maximum assessment of \$10,000 until 1918
  - Robertson Manufacturing Company Limited--taxation on maximum assessment of \$5,000 until 1918
- 1908
- amendment to by-law concerning P.L. Robertson Co. Ltd.-- giving an extension of time to carry out provisions of past by-law while still being eligible for fixed assessment, etc.
  - Hamilton Tube Company Limited--taxation on maximum assessment of \$5,000 until 1918
  - appointment of Industrial Committee
  - a great deal of time and discussion in council was devoted during this year to the question of public vs. private hydro-electric power including a petition by the city's manufacturers requesting council to enter into a contract with Cataract
- 1909
- appoint Industrial Committee in response to mayor McLaren's urge in his inaugural address: "One of the greatest needs in Hamilton is a strong energetic Industrial Committee, who will take up actively the question of devising means to induce manufacturers to locate in the city"
  - council determines to submit a vote to the electors on the question of the City of Hamilton entering into a contract with Ontario Hydro
  - later finalizes decision to enter into a contract with The Ontario Hydro-Electric Power Commission
  - Frost Wire Fence Company--taxation now on maximum assessment of \$10,000 to cover additional lands they acquired since the last agreement
  - Frost Hardware Supply Company--taxation on maximum assessment of \$5,000 until 1918 given to encourage the location of this branch in Hamilton