Russell
Government, Labour, and Business Progressivism in a Canadian War Industry, 1899-1920

by
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Abstract

Russell: Government, Labour, and Business Progressivism in a Canadian War-Industry, 1899-1920

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In May 1919, businessman and former munitions manufacturer Thomas Russell was brought before the Royal Commission on Industrial Relations (Mathers Commission) to provide insight into the largest collection of strikes in Canadian history. Russell was one of Canada’s pioneering automakers, first employed as general manager of the Canada Cycle and Motor Co. (CCM) and later as vice-president when the company was reorganized to become the Russell Motor Car Co. (RMCC). Russell had been actively engaged in business and political discourse for nearly two decades and played a leading role in implementing industrial reforms during the First World War. The RMCC became the largest private producer of shell fuses in Canada and employed one of the country’s largest female workforces. While these progressive reforms increased the productivity and profitability of munitions manufacturers, they had been implemented with little regard to their dramatic transformation of wartime labour conditions. As the war came to a close, Russell suspended his seemingly “progressive” program in favour of protecting his companies’ enormous late war profits. When asked what he believed to be the cause of labour unrest, he told the Mathers Commission that the strikes were not the fault of employers’ wartime industrial policies, but rather an unavoidable “natural desire for betterment” among dissatisfied workers and the unemployed. Contrary to Russell’s testimony, employers were very much responsible. This project explores the origins of progressive ideals in Canadian business at the turn of the 20th century and their impact on industrial reform during the First World War. As war manufacturers, business progressives failed to address the devastation their industries caused in the post-war period. Their post-war factory closures and reluctance to compromise with the growing labour movement substantially contributed to the outbreak of the 1919 labour revolt and fueled future advocacy for government intervention in the Canadian economy.
ACKNOWLEDGEMENTS

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Abbreviations (Listed Alphabetically)

CCM – Canada Cycle and Motor Company
CEF – Canadian Expeditionary Force
CHMA – Canadian Home Market Association
CMA – Canadian Manufacturers Association
CNE – Canadian National Exhibition
CRA – Canadian Reconstruction Association
DAC – Dominion Automobile Company
IAM – International Association of Machinists
IDIA – Industrial Disputes Investigation Act
IMB – Imperial Munitions Board
NRC – National Research Council
OML – Ontario Motor League
PAC – Public Accounts Committee
RMCC – Russell Motor Car Company
SSB – Soldier Settlement Board
TAC – Toronto Automobile Club
Figure 1. One Month of the RMCC’s Shell Production in Verdun, Québec, c. 1917. (H. H. Vaughan, “The Manufacture of Munitions in Canada.” Published Speech, Presidential Address to the Annual Meeting of the Engineering Institute of Canada, Ottawa, February 10, 1919.)

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Introduction

In May 1919, businessman and former munitions manufacturer Thomas Alexander Russell was brought before the Royal Commission on Industrial Relations (Mathers Commission) to provide insight and offer solutions for the largest collection of strikes in Canadian history. The Canadian labour revolt affected major cities and small communities across Canada. At the peak of tensions in Toronto, where Russell’s factories were located, a general strike had been called and roughly a third of the city was on strike by June. As an educated business progressive, Russell had been actively engaged in business and political discourse for nearly two decades and played a leading role in implementing industrial reforms during the First World War. While these progressive reforms increased the productivity and profitability of munitions manufacturers, they had been implemented with little regard to their dramatic transformation of wartime labour conditions, which when combined with increasing military recruitment and skyrocketing inflation had a detrimental effect on the livelihoods of working class Canadians. Yet when asked what he believed to be the cause of labour unrest, Russell told the Mathers Commission that the strikes were not the fault of employers’ wartime industrial policies, but rather an unavoidable “natural desire for betterment” among dissatisfied workers and the unemployed.¹

Russell was one of Canada’s pioneering automakers between 1902 and 1915, first employed as general manager of the Canada Cycle and Motor Co. (CCM) and later as vice-president when the company was reorganized to become the Russell Motor Car Co. (RMCC). After graduating from the University of Toronto with a degree in political science, Russell

became a lecturer for the first university business program in Canada, a diploma in commerce offered by the Department of Political Economy. Russell taught for a semester before being hired as general secretary for the Canadian Manufacturers Association (CMA). Within two years, Russell had increased the CMA’s membership from 132 to 940 businesses, turning it into the largest business organization in Canada and securing his prominence on the Toronto business scene. Russell was then selected by Sir Joseph Flavelle in 1902 to become General Manager of the newly amalgamated CCM.

CCM had been formed three years prior by leading Toronto businessmen intending to monopolize the Canadian bicycle trade, but due to a combination of slack management, market speculation, and a collapsing bicycle market, the company was close to bankruptcy. Known for his qualifications and expertise in managerial oversight, publicity strategies, and industrial efficiency, Russell used cost-cutting and time saving measures to return the company to profitability, and by 1905 had refashioned CCM as Canada’s first commercial automobile producer. After Russell secured Imperial munitions contracts with the Shell Committee and Imperial Munitions Board (IMB) during the First World War, the RMCC became the largest private Canadian producer of shell fuses, producing around an eighth of all shell fuses in the entire British Empire. At the company’s height, its workforce had expanded to over 6,000, which included employing one of the largest female workforces in Canada. War conditions allowed Russell to successively accrue greater annual profit in each consecutive year following 1916 and into the post-war period.

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Business progressivism was an influential philosophy among Western politicians and business leaders at the turn of the 20th century, and a central component in the transition from industrial to managerial capitalism. Inspired by social reform movements of the same period which sought to “regenerate” modern, urban society from the ills of industrialization, business progressives aimed to apply this same spirit of reformism to Canadian industry. The emergence of business progressives in Canada coincided with a number of paradigmatic shifts in Canadian business organization. The introduction of university programs in commerce and management were intended to professionalize managerial positions within industry. The Merger Movement impacted business organization across North America and resulted in the conglomeration of smaller firms into corporate entities capable of monopolizing the Canadian market. Technological developments spurred on by the Second Industrial Revolution formed pioneering high-technology industries, which along with the automobile industry accelerated advancements in light, hydroelectric, pulp and paper, telephone, chemical, and farm mechanization industries. But the increased complexity of these industries typically meant hiring educated professionals to modernize production in the face of a competitive continental market. Like Russell, business progressives were well-versed in managerial oversight, publicity strategies, and industrial

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Russell used his publicity campaigns to target consumer audiences and influence public opinion on major political debates. Throughout the Edwardian Period, business progressives experimented with pragmatic industrial reforms aimed to increase their industrial profitability, responded to technological, social, and commercial trends, and capitalized on modern advances in mass communications to promote their products and increase their political clout.

Russell and other business progressives played a decisive role in directing the wartime political economy through their leadership in converting industry to armaments production. Russell developed close government ties during the tariff debate of 1911. When Prime Minister Sir Wilfrid Laurier announced reciprocity with the United States as a campaign promise in the coming election, Russell sensed a threat to the financial foundations of the Canadian automobile industry. He protected his company’s financial interests by joining other business leaders in a smear campaign against Laurier in support of Sir Robert Borden’s Conservative Party. When commercial markets dried up in the wake of the 1913 financial crisis, Russell made numerous attempts to salvage the RMCC’s finances through various commercial means, including changes to his product line, the scaling up of his company’s advertising, and working through the CMA to promote Canadian made goods. But as finances worsened, Russell turned to government and Imperial war contracts to keep the company afloat. The RMCC produced both military vehicles and shell components under the direction of Minister of Militia and Defence Sir Sam Hughes and the Shell Committee, as well as engaging in early propaganda efforts to demonstrate the company’s wartime contributions and satisfy government expectations. Yet in just over a year,

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6 Flavelle’s newly educated hires, for instance, included Fredrick Smale, James S. McLean, Sir Thomas White and E.R. Peacock, who are discussed in a later footnote in Chapter 1.
Hughes and the Committee were forced to resign in the face of various allegations, including their extensive political patronage, a failure to deliver war contracts on schedule, and the high rate of defective shells. These allegations resulted in the British government establishing the IMB in November 1915, chaired by Russell’s mentor Sir Joseph Flavelle, and ultimately culminated in the Shell Scandal a few months later. As a branch of the British Ministry of Munitions, the IMB could operate independently of the Borden government. Under Flavelle’s leadership, the Board dramatically expanded Canadian munitions production by contracting and coordinating hundreds of businesses, becoming Canada’s largest employer by 1918. The RMCC took full advantage of the IMB’s high volume of war orders by introducing experimental industrial reforms to improve productivity and efficiency in order to further their financial gain.

Stimulus and oversight provided by the IMB through loans and subsidies to war manufacturers, more competitive contracting, on-site government inspection, and the guarantee of a steady flow of war orders allowed the RMCC and other munitions manufacturers greater freedom to implement industrial reforms to combat the effects on wartime labour shortages and monetary inflation on their industries. These policies included the adoption of techniques of scientific management, deskilling of complex munitions tasks, encouragement of women to temporarily enter the workforce, and patriotic subscription and propaganda campaigns to promote the war effort. However, these policies also had a number of unintended consequences on wartime labour conditions. By the war’s conclusion in November 1918, manufacturers’ hiring of women and training of unskilled workers to meet wartime labour demands had created a flooded labour market as veterans returned from overseas. While continuing to lend lip service to organizational efforts made by the Canadian Reconstruction Association (CRA), Russell suspended his seemingly “progressive” program in favour of protecting his companies’
enormous late war profits while transitioning back to the commercial market. During a year-long closure of his factories, Russell used his media presence to petition the government to reverse wartime industrial and fiscal reforms which hindered his businesses’ financial growth, and attempted to deplete the Willys-Overland Co.’s surplus automobile stock through the promotion of international export markets. By the time of the Canadian labour revolt in May 1919, business leaders’ activities had coupled with wartime inflation to fuel rising unemployment and an agitated union movement. Contrary to Russell’s testimony before the Mathers Commission, employers were very much much responsible.

With its focus on the Canada Cycle and Motor Company and Russell Motor Car Company between 1899 and 1920, this project will explore certain facets of the early period of the emergence of managerial capitalism by examining the origins of progressive ideals in Canadian business at the turn of the 20th century and their impact on industrial reform during the First World War. How and why did companies such as the RMCC’s seemingly “progressive” munitions production actually contribute to post-war unemployment and labour unrest? The underlying philosophy of business progressivism was ideologically inconsistent and lacked a cohesive set of principles. As the following analysis will demonstrate, adherents were more motivated by their company’s financial interests than their stated dedication to societal reforms. As war manufacturers, business progressives failed to act responsibly to address the devastation their industries caused in the post-war period. Factory closures by business progressives like Russell, and their reluctance to compromise with the growing labour movement after four years of military conflict substantially contributed to the outbreak of the 1919 labour revolt and fueled future advocacy for government intervention in the Canadian economy.
Research for this study has drawn on collections from Library and Archives Canada, especially the Sir Joseph Flavelle Papers, Department of Militia and Defence Papers, and Royal Commissions Collection Papers. Government documents and publications by Russell and the RMCC were sourced from several other Ontario archives. This project has also been informed by a wide array of historiographical material on Canadian business, automobiles, education, the First World War, labour and gender histories, and studies on post-war reconstruction. Lastly, newspaper articles published between 1900 and 1920 in *The Globe* and *Toronto Star*, and periodicals like *Industrial Canada* and the *Labour Gazette*, have shed light on many of the day-to-day operations at Russell’s companies and their publicity campaigns.

Chapter 1 examines how Russell used his business qualifications to garner influence in the early auto industry and how the adoption of managerial oversight and marketing techniques bettered his companies’ financial interests. These methods and techniques were central to the philosophy of business progressivism, and included being knowledgeable and attentive to modern technological and social trends, adopting profit-driven measures to achieve industrial efficiency, and greater sophistication in marketing products to consumers through advertising and media publicity.

Chapter 2 focuses on the RMCC directors’ collaboration with business leaders and politicians to assist in the election campaign of Sir Robert Borden, the financial response to the 1913 recession, and the directors’ efforts to acquire imperial munitions contracts to protect the company’s financial interests during the war period. Collaborating with Sir Sam Hughes and the Shell Committee, the RMCC produced military vehicles, shells, and engaged in propaganda efforts on the Canadian home front. Although Hughes and the Shell Committee had generally fulfilled their mandate to develop the foundations of the Canadian war industry, within the year
they were accused of awarding munitions orders and equipment contracts through political patronage, excessive military spending, and profiteering. When these issues culminated in the War Contracts and Shell Scandals in 1915 and 1916, Russell testified against Hughes to influence the reform of military purchasing practices and wartime industrial reforms, resulting in the Shell Committee’s replacement with the IMB under the direction of Sir Joseph Flavelle.

As discussed further in chapter 3, the IMB dramatically expanded the Canadian munitions industry and the RMCC, and as a contractor, enacted a broad platform of progressive business reforms to enhance war production and also ensure his company's financial success. Russell combatted the effects of enlistment on labour shortages in ways that seemed to endorse progressive approaches to business, by establishing four model munitions factories in central Toronto, encouraging the temporary acceptance of women in the workplace, and adopting the latest techniques in scientific management. The enormous profits accrued by munitions manufacturers over the last three years of the war drew unwanted attention from a public alert to the possibility of profiteering. To protect the company’s reputation, the RMCC was pressured to engage in propaganda efforts through public events, newspaper articles, and company publications. Russell was also forced to compromise his company’s long-term goals to ensure its short-term financial success, which included merging the RMCC’s automobile division with the American car company Willys-Overland Co., and submitting to the demands of organized labour to maintain the company’s financial growth.

By 1918, business progressives had amassed significant influence over wartime industrial reforms to serve their companies’ financial interests. But their reforms also had unintended consequences for post-war society. As examined in chapter 4, Russell and the RMCC’s contributions to Canadian reconstruction only extended until the Armistice in November 1918,
when within just two weeks the IMB cancelled war contracts for the entire Canadian munitions industry. Russell and fellow manufacturers’ unwillingness to resolve post-war labour conditions in favour of protecting their financial interest substantially contributed to the Canadian labour revolt in May 1919. Their organizational response in the following months failed to restore businessmen’s credibility or demonstrate genuine dedication to the national interest. Yet business progressives’ implementation of industrial reforms to combat the exceptional circumstances of the war period unintentionally lent legitimacy to future government involvement in Canadian industry and the economy.

Historiography of the Edwardian Period: Business, Education, Automobiles, and Advertising

An account of the Russell Motor Car Company does not fit squarely within a single category of historical inquiry, but instead intersects with many historical approaches. These approaches have been divided into three chronological periods, the Edwardian, First World War, and post-war periods. Detailed studies on parts of the history of CCM have come from company histories and historians of early automobiles in Canada. Jaroslav Petryshyn’s *Made up to a Standard* is the most exhaustive study on Thomas Russell and CCM’s venture into the automobile market. Published in 2000, Petryshyn frames his work as a case study of early businessmen in the automobile industry. Concluding with the RMCC’s sale of its car division to the American producer Willys-Overland Co. at the end of 1915, Petryshyn offers only a brief outline of the war and post-war years. The only other study to deal with the company directly is John McKenty’s 2011 work, *Canada Cycle & Motor: The CCM Story*. While McKenty’s study covers the history of CCM well into the late 20th century, he relies more on personal interviews and secondary material rather than primary documents. Both Petryshyn’s and McKenty’s studies
are better considered popular, celebratory pieces on the company’s history rather than scholarly accounts.  

Changes in patterns of business education have been highlighted in Barry Boothman’s “Culture of Utility,” published in 2000 as part of an edited collection alongside other works in Canadian business education. Boothman analyzes the professionalization of business management with the rise of education programs around the turn of the 20th century, and argues that university officials wanted to imbue business with academic legitimacy. Largely with the backing of leading manufacturers, management training was transformed from “a function of doing, and not something which could be learnt” to the hiring of educated and qualified business professionals like Russell. This was especially so in newly emerging corporate entities like CCM, which required substantial direction and supervision to be successful.  

Personally selected by Flavelle, Russell mingled well with the older Toronto business crowd. Unlike economic historians, whose studies have used statistical evidence to produce findings on Canada’s economic structure, business historians have tended to study the character and values of Canadian businessmen and shifts in public attitudes towards the business community. In A Canadian Millionaire, a biography of the industrialist Sir Joseph Flavelle

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9 Bliss’ studies challenged the case made by economic historians that the cause of American financial dominance of Canadian industry was due to Canada’s inheritance of British financial institutions and a class structure and which inhibited Canadian economic growth. See R.T. Naylor, The History of Canadian Business, 1867-1914. Vol. II. (Montréal: McGill-Queen's University Press, 1975), 57; Similarly, Graham Taylor and Peter Baskerville have examined the changing patterns of business organization, the character of business arrangements, and the peculiarities of Canadian capitalism and how it evolved to balance national and regional interests despite continental and imperial pressures. See, A Concise History of Business in Canada. (Oxford: Oxford University Press, 1994).
published in 1978, and *Northern Enterprise*, an extensive study of Canadian business history published in 1987, Michael Bliss argues that Canada’s small population and harsh geographic terrain brought difficulties when attempting to extract material wealth, despite the best efforts of businessmen who tended to overestimate Canadian resources. In both studies, Bliss portrays success in the late 19th century business world as far from certain, with “the few businessmen who amassed great wealth [belonging] to a charmed circle of millionaires,” of no more than four or five dozen in all of Canada by 1910.\(^\text{10}\) His study also illustrates the gradual shifts in business values as new levels of wealth were acquired and became centralized in Montréal and Toronto, along with a few other regional urban locales. As a result, “fabulously wealthy” business elites like Joseph Flavelle, George Cox, and Walter Massey, who were each part of the original directorship of CCM, all participated in a delicate balance of Victorian business etiquette centred around thrift, sobriety, and hard work.

Once they entered industry, business progressives began by combatting the consequences of unregulated industry which placed individual interests above company interests, and their calls for industrial management fueled the reform of government procedures. Bettina Liverant’s 2008 article on the rise of consumerism and the managerial state in the early 20th century argues that these developments informed government policy, informing broader initiatives later introduced to increase Canadian standards of living.\(^\text{11}\)

Early studies in Canadian automobile history are scarce, but the most has been Howard Aikman’s economic history published in 1926, *The Automobile Industry of Canada*. Part of a

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series titled *National Problems of Canada* launched by McGill University in 1912, Aikman depicted the Canadian car market as being in a miserable state of affairs. He describes how despite having “the largest market of Canada right at the door of the industry,” businessmen in the largely Ontario-centred auto industry were unable to withstand the financial strain of American competition and technological superiority. Reacting to American branch plants which were coming to dominate several sectors of Canadian industry in the 1920s, his work established Canada’s dependence on American auto producers as one the most resilient interpretations of the early Canadian car industry.\(^\text{12}\)

Published in 1973 by Hugh Durnford and Glen Baechler, *Cars of Canada* remains the most authoritative contemporary study of early car manufacturing and sought to revise earlier misconceptions of Canadian car production illustrating a long history of automotive enthusiasm and experimentation in one-off car production. Durnford and Baechler date the first Canadian car to a steam buggy produced by the Québec watchmaker and jeweller Henry Seth Taylor in 1867. Electric automobiles became popular in the 1890s, and by the end of the century were being built both by enthusiasts and in small batches by carriage companies to be sold to wealthy, urban businessmen.\(^\text{13}\)

Tom Traves’ article on the Canadian auto industry in Ian Drummond’s *Progress without Planning* published in 1987 examines how automobile companies formed financially, while also stressing the unpredictability of the industry and the challenges automobile producers faced in

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\(^{13}\) Hugh Durnford and Glenn Baechler. *Cars of Canada*. (Toronto: McClelland and Stewart, 1973), 10. They also established four criteria, for which a Canadian car must meet three, stressing design, ownership, a Canadian name, and whether it was built in Canada. While these qualifiers are effective for the industrial conditions of the branch plant dominated 1920s, they tend to overshadow the continentalism and collaboration between Canadian and American businessmen within the commercial industry’s first two decades, especially the roles of Gordon McGregor and Sam McLaughlin in producing Fords and Buicks in Canada.
their formative years. Most recently, in his 2007 *Making Cars in Canada*, Richard White contends it was the lure of American capital, experience, connections, and technology that incentivized Canadian automotive entrepreneurs Gordon McGregor to establish ties with Ford and Sam McLaughlin with Buick. White concludes that for most car firms, dependence “was due more to a lack of Canadians’ mechanical engineering expertise than to any competitive disadvantages for Canadian firms or to aggressive expansion of U.S. interests.” While Russell was an exception to this rule in the Edwardian Period, the war forced domestic manufacturers to put financial priorities before company autonomy, leading him to merge his automobile division with the American Willys-Overland Co. in 1915.

New technologies like automobiles required advertising to inform and persuade consumers of their benefits. As Darmon and Laroche indicate in their *Advertising in Canada* published in 1991, increases in the number and circulation of newspapers after the 1880s expanded considerably due to printing technologies, such as the introduction of typesetting machines, stereotyping, and rotary presses which allowed for more sophisticated advertising. Gene Allen expands advertising scholarship with his study of business, culture and news published in 2008. Allen brings attention to the transition from partisan press, funded through party support, to commercial press, funded through advertising revenue, particularly charting the

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development of sensationalism within news articles which acted as a medium for important societal commentaries. Manufacturers like Russell utilized these shifts in print media to their advantage by using newspapers’ expanded readership to advertise their companies’ products. In the war period, newspapers also became an effective tool of propaganda, which Russell exploited to publicize his wartime accomplishments, downplay his financial success, and showcase his factories’ patriotic workforce.\(^\text{16}\)

By the end of the Edwardian period, the RMCC had become a prominent Canadian industry and Russell had gained sizeable government influence. In *The Government Generation* published in 1986, Doug Owram describes how new communities of educated intellectuals and experts became proponents of government economic management, and finds their initiatives crucial to the evolution of the modern state. Several of these experts were urban progressives, looking to protect their own industrial interests. During the election of 1911, Russell was able to establish close ties within the Conservative Party by pressing for Canadian protectionism. In David Mackenzie and Patrice Dutil’s *Canada 1911* published in 2011, they argue that manufacturers appealed to patriotism and stoked public fears surrounding reciprocity as an inevitable step towards continental annexation. Despite the best efforts of manufacturers to influence the vote, Mackenzie and Dutil suggest that their campaign had really only changed the minds of a few thousand Canadians, but enough had done so in politically strategic districts to swing the election towards Sir Robert Borden in 1911. Yet as Mackenzie and Dutil illustrate, by

1914, Borden’s government was made up of people who shared little other than their disdain for the Laurier Liberals, leading to conflict and political rivalries for the first half of the war.\footnote{Doug Owram, The Government Generation: Canadian Intellectuals and the State, 1900-1945. Toronto: University of Toronto Press, 1986, 53. and Patrice Dutil and David Mackenzie, Canada 1911: The Decisive Election that Shaped the Country. Toronto, ON: Dundurn, 2011.}

**First World War Historiography: Military, Home Front, War Enthusiasm, and Gender**

Business progressives like Russell became instrumental in the transition to a wartime economy through the production of munitions. The first study of munitions in Canada was David Carnegie’s 1925 publication *The History of Munitions Supply in Canada, 1914-1918*. As a member of the Imperial Munitions Board, Carnegie intended his account as an official history of munitions production, marketing the contributions of the Board to the war effort and the broader transformation of Canadian society. The history of munition production has been discussed further in more recent accounts of First World War history. In Peter Rider’s PhD thesis, *The Imperial Munitions Board and Its Relationship to Government, Business, and Labour, 1914-1920* completed in 1974 at the University of Toronto, he offers one of the most detailed accounts of Canadian munitions production. Rider argues that the IMB was highly influential in the daily life of Canadians during the war, creating strong ties with munitions manufacturers to enact industrial reforms.\footnote{David Carnegie, The History of Munitions Supply in Canada, 1914-1918. (Toronto: Longmans, Green and Company, 1925). and Peter Edward Rider, The Imperial Munitions Board and Its Relationship to Government, Business, and Labour, 1914-1920. (PhD diss., University of Toronto, 1974); Desmond Morton, A Military History of Canada. (Edmonton: Hurtig Publishers, 1985).} In Desmond Morton’s *A Military History of Canada* published in 1985, he argues that Canada’s role as a global supplier of goods, including munitions during the First World War, for the British Empire and the United States came to profoundly shape the structure of Canadian politics and identity.\footnote{In Gordon Greavette’s 2013 PhD thesis, The Shell}
Committee, he argues that widespread criticisms of the Shell Committee are misdirected, and that the Committee had managed to achieve substantial progress in their short period of operation, despite sporadic interference from Sir Sam Hughes. The Committee had also managed to divide what trivial orders they had been provided by the British War Office between several minor manufacturers in small-town communities and promoted cooperation amongst manufacturers rather than uncoordinated independent efforts. However, this regional approach, coupled with Hughes’ political favouritism, exacerbated the Shell Committee’s difficult relationship with larger, urban firms like the RMCC, leading to political conflict between Hughes and the business community throughout his time as Minister of Militia.²⁰

Expectedly, there are a number of works on munitions by British and Imperial historians, including Gerry Rubin’s War, Law, and Labour, and Lewis and Jones’ Arming the Western Front on British munitions production, and John Connor’s “The War Munitions Supply Company of Western Australia” analyzing munitions production in Australia. Rubin’s study focuses on the enactment of the British Munitions of War Acts between 1915 and 1917, which set guidelines for munitions industries through the banning of strikes, wage regulation, promoting factory discipline, and introducing regulation for women entering the workplace.²¹

²¹ Other studies have focused on the weaponry itself, such as in Leslie Barnes’ Canada’s Guns, or have focused on the First World War as the starting point of Canada’s legacy of arms exports, as in Ernie Regehr’s Arms Canada. In Bill Rawling’s more recent study, Surviving Trench Warfare, he examines Canadian soldiers’ adaption to the use of unprecedented types of weaponry in the field, illustrating how Canadians contributed to the use of such weapons in a new style of protracted warfare. Leslie W.C.S. Barnes, Canada’s Guns: An Illustrated History of Artillery. (Ottawa: National Museums of Canada, 1979), 81. Ernie Regehr, Arms Canada: The Deadly Business of Military Exports. (Toronto: James Lorimer, 1987), and Bill Rawling, Surviving Trench Warfare: Technology and the Canadian Corps, 1914-1918. Second ed. (Toronto: University of Toronto Press, 2014 (1992)).
These reforms had a substantial influence on policymaking in Canadian munitions. While Imperial war contracts in Canada were limited before 1916, following the establishment of the IMB, business progressives were pleased to accommodate government intrusion in their industries if it meant improving their company’s finances.

Since the mid-1990s, a growing body of work has developed specifically examining wartime political, economic and social disruptions through the lens of the Canadian home front. Jeffrey Keshen’s *Propaganda and Censorship* identifies how pre-war jingoism, geographic seclusion, and press patriotism allowed authoritarian censors to perpetuate and sustain a romantic image of combat. In post-war Canada, two contradictory images of war arose; one fixated on the mud, rats, and death of the trenches, and the other of brave Canadian soldiers, fighting to elevate the national status, who won the best known and most difficult battles.²² Keshen’s work has been met with hostility by Ian Miller in his 2002 *Our Glory and Our Grief: Torontonians and the Great War*. Miller writes that Keshen “assumes that Canadians could not have believed what they were being told, and concludes they must have been duped… [leaving] no room for the possibility that people were willing to fight for God, king, and Empire.” As Adam Crerar suggests in his chapter “Ontario and the Great War” in *Canada and the Great War*, patriotic responses to wartime experiences took many forms in rural and urban Ontario, with the war being “imagined on many fronts.” Localism and regionalism have since become central themes of home front histories, an excellent example of which is Robert Rutherford’s *Hometown*

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Horizons: Local Responses to the Great War, which examines community experiences in Guelph, Trois-Rivières, and Lethbridge.\textsuperscript{23}

Influenced by British historian Niall Ferguson’s study of war enthusiasm in The Pity of War, Joan Sangster’s “Mobilizing Women for War” argues that rather than liberating women, the war accelerated existing social and economic trends.\textsuperscript{24} Like Douglas McCalla and Ron Millard’s chapter also in Canada and the Great War, she suggests that working women’s patriotic support of the war is largely myth, with the reality being heightened class and gender tensions between women. Sangster argues that while strong evidence suggests no profound change in gender or social structures, the war remains useful for examining shifts in historical interpretation and for considering “the resilience of gender ideologies, class differences, and social tensions.” Her study draws on a series of earlier writings on women’s history in Canadian historiography which also examine the resiliency of gender ideology.\textsuperscript{25} Linda Kealey analyzes working class women’s participation in gender and labour advocacy as when they began to enter into the paid workforce. Kealey finds that union representatives encouraged these women to “stay in the backroom” and play only a supportive role, which limited their ability to advocate on their own behalf. She concludes that this lead to the recognition of only a vocal minority of


\textsuperscript{25} Joan Sangster, “Mobilizing Women for War,” in Canada and the First World War, 158. In Ron Millard’s chapter, ‘The Crusade for Science,’ he seeks to revise earlier scholarship which ties technological development in Canada to the founding of the National Research Council (NRC) in 1916, overlooking earlier private industrial research. While the war and the success of the NRC solidified the importance of government research contributions, Millard places the NRC’s role as a great catalyst into doubt. See Ron Millard, “The Crusade for Science: Science and Technology on the Home Front, 1914-1918,” in Canada and the First World War, 308.
women. Similarly, Ruth Frager and Carmela Patrias’ *Discounted Labour* focuses on race, gender, and class discrimination against and among women in the workforce. Like Sangster and Kealey, they find that the disjuncture between traditional, domestic conceptions of femininity and the increasing entrance of women in the workplace led to an increase in group activism attempting to shape the characteristics and limitations of women’s patterns of employment.  

Russell enacted welfare reforms in his munitions plants following 1917 to showcase model conditions to appease public and government concerns over women’s working conditions, but he also used his women workers in propaganda efforts to distract the public eye from his companies’ profiteering.

Sarah Glassford and Amy Shaw’s 2012 edited collection *A Sisterhood of Suffering and Service* examines the diversity of women’s wartime roles, arguing that women were deeply involved in wartime society and suffered the same vulgarities of war on the Canadian home front. But they also call the transformative and liberating effects the First World War had on women into question by arguing that traditional femininity kept women’s increased movement into the public sphere from sparking a more fundamental transformation of Canadian gender values. The same can be said for women’s entrance into the workplace. In Kori Street’s “Patriotic not Permanent,” she examines the role of women in munitions and clerical positions, and concludes that the challenge posed to gender values was mitigated by ideological accommodation.  

Canadian discourse focused on women’s wartime work and emphasized women’s protection rather than their liberation, focusing on creating more closely managed factories, the length of women’s shifts, reorganizing factory health and safety, and providing

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As this study demonstrates, the decision to employ women in the munitions industry was primarily motivated by economic pragmatism, and with the assurance that their temporary employment would not have any lasting consequences on reframing gender ideology.28

**Post-War Historiography: Financial Downturn, Industrial Reconstruction, and Labour Conflict**

Since the 1974 publication of Ramsey Cook and Robert Craig Brown’s *Canada, 1896-1921: A Nation Transformed*, transformation has been the central theme of First World War historical literature. Cook and Brown’s influential work credits the First World War with being responsible for the most far reaching transformations of the past century; from forging modern national identity, to liberating women through their entrance into the workplace, to solidifying Canada’s political and economic independence. However, later scholarship called the transformative effects of the First World War into question. Published in 2005 and edited by David McKenzie, *Canada and the First World War* is a collection of studies from over a dozen scholars who question how transformative the war actually was relative to existing trends, in spite of the period’s upheavals. As Douglas McCalla’s chapter on “The Economic Impact of the Great War” suggests, the war was far more disruptive than transformative to industry. McCalla utilizes statistical evidence on financial and industrial development to argue that the post-war economy did not deviate far from pre-war trends. He also contests the ongoing narrative of pre-war resource dependence by asserting that Canada “already [had] a balanced industrial economy,

28 Similar studies have been published on Women in Canada during the Second World War. Ruth Pierson offers a broad overview of wartime changes in the state of women in the Second World War, including changes of femininity, sexual status, job training opportunities, and their entrance into military positions. Starting in 1945, government officials reacted against the war’s upheaval by attempting to reverse the extent women had overstepped former gender boundaries during their time of necessity. See Ruth Roach Pierson, “They're Still Women After All”: *The Second World War and Canadian womanhood*. (Toronto: McClelland & Stewart, 1986), 19, 220.
more complex than the traditional story has tended to imply.” While high technology industries were essential to ease the transition to munitions production, McCalla states these industries could have developed further if they had been allowed to continue uninterrupted. He instead attributes earlier scholarship’s bias towards transformation to their overlooking or underestimating of financial trends before and after.

Other scholars within business history have also studied businessmen’s difficulties coming to terms with having considerably less sway in the political economy following the post-war period. Tom Traves’ *The State and Enterprise*, published in 1978, illustrates how manufacturers struggled to retain control over their industries against rising union sentiments, competition, and state interventionist policies. He argues that their attempts at self-preservation led to nationwide financial difficulties which persisted into the 1930s. Don Nerbas’ account of Canadian big business elites following the First World War in his *Dominion of Capital* published in 2013 is a prosopography of five regional businessmen, including Sam McLaughlin and C.D. Howe. Nerbas suggests their diminishing influence became an important precursor for greater state activism in economic and social life in the interwar period. Russell and other businessmen’s high profits were short-lived, and the impact the war had on inflation and post-war unemployment devastated Canada’s industrial and economic recovery.

Munitions factories have also been a key topic in labour history, with particular examination of labour strife in both the late and post-war periods. One of the most important

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works of labour historiography to emanate out of the 1970s was David Bercuson’s 1974
*Confrontation at Winnipeg*. Rather than ground Winnipeg in the international or national labour
movement, Bercuson roots the cause of the strike in local responses to industrialization.31 In
Kealey’s “1919: The Canadian Labour Revolt,” he seeks to revise scholars’ understanding of
strikes in 1919 from an exclusively Western phenomenon to a year of national worker
discontent. The national qualities of the strikes have been further examined in Craig Heron’s
edited collection, *The Workers’ Revolt in Canada*. Published in 1998, Heron’s collection draws
together the work of around a dozen historians who analyze the rising post-war labour conflict,
when union membership and strikes increased across the country due to worsening financial
conditions and state repression.32 More recent labour histories have more closely examined local
circumstances. James Naylor’s *The New Democracy* studies the rise of working class politics
operating within the electoral system in Ontario. Craig Heron’s 2015 *Lunch-Bucket Lives*
grapples with the experiences of Hamilton workers in the early 20th century, revealing a broader
Canadian and continental working class experience. Bryan Palmer and Gaétan Héroux’s
*Toronto’s Poor* focuses on how welfare reformers challenged the inadequacies of relief policies
on the unemployed and homeless before the Great Depression.33 By examining labour responses
to Russell’s factory closures, this project contributes to the growing body of work on the long-
term impact manufacturers’ decisions had on Canada’s economic recovery and how these
decisions fueled worker’s discontent.

Chapter 1: CCM, Thomas A. Russell, and the Edwardian Period, 1900-1911

Introduction

Amalgamated in 1899, the Canada Cycle and Motor Co. (CCM) was the brainchild of some of Canada’s leading financial capitalists of the late 19th century. Following in the footsteps of the Merger Movement, the company capitalized on the continental bicycle boom by buying out all domestic competition and ushering in a monopoly of the Canadian market. Yet just two years later – as antiquated financial practices, decision making, absenteeism, and the end of the bicycle boom were causing the company’s collapse – director Sir Joseph Flavelle began searching for a well-educated, professional, and dedicated manager to steer the company back on track. Flavelle was one of the first Canadian businessmen to regularly employ university graduates in managerial positions, described by historian Michael Bliss as “Flavelle’s young men.” Flavelle hired around half a dozen of these progressive up-and-comers throughout the 1890s to apply their expertise to his companies’ affairs, and in 1901 stumbled upon Thomas Russell.\(^{34}\) Russell was educated at the University of Toronto before being employed as an instructor in Canada’s first university-level business program and as secretary for the Canadian Manufacturers Association (CMA). Russell’s publicity efforts to expand the CMA had

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\(^{34}\) Flavelle’s younger, university educated managerial recruits included Fredrick Smale, who received his PhD in chemistry from the University of Toronto who went on to work for the William Davies Co., James S. McLean, also graduating from Toronto with a Bachelor of Arts in mathematics and physics, Sir Thomas White, a lawyer at the National Trust Co. who became Borden’s Minister of Finance during the war period, and E.R. Peacock, who upon graduating Queens University in political science worked at the National Trust Co.. Smale had actually been chosen as Flavelle’s successor for management of William Davies Co., but died prematurely in 1908. See Michael Bliss, A Canadian Millionaire, 122. Doug Owram also suggested J.M. Macdonnell of the National Trust Co., and Vincent Massey. See Doug Owram, The Government Generation: Canadian Intellectuals and the State, 1900-1945. (Toronto: University of Toronto Press, 1986), xii.
dramatically grown its membership from 132 to 940 in just two years. In his new role as General Manager for CCM, Russell would experiment with workplace financial efficiency, which included cost-cutting and time saving programs, as well as publicity campaigns, and building the company’s political ties. During the Edwardian period, defined here as between 1899 and 1912, Russell played a crucial role in changing CCM’s business practices to return the company to financial stability and secure its position in the continental market.

The following discussion of the Edwardian period considers three phases in Russell’s career and the transformation of business practices. The first period, from 1899 to 1904, includes the collapse of CCM, the hiring of Thomas Russell, and his reorganization of the company into automobile manufacturing. In the second phase, covering the mid-1900s, Russell employed numerous progressive business strategies to compete with American manufacturers, particularly Ford of Canada and Buick-McLaughlin. He would later turn to eclectic publicity and advertising stunts, as well as industrial expansion, in the period between 1908 and 1912. By the end of the decade, Russell had transformed the CCM into a financially successful, highly competitive, and politically influential automobile business, culminating in the company’s reorganization into the Russell Motor Car Co. (RMCC). Russell’s transformation of CCM’s business practices during the Edwardian period is foundational to understanding how business progressivism guided businessmen’s decision making in the years leading up to the First World War.

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36 Officially identified as between 1901 and 1910 to mark the reign of King Edward VII, the Edwardian period has tended to overlap with both the Victorian and fifth Georgian periods. The years between 1899 and 1912 have been periodized here to reflect both the company’s financial trends and long-term sensibilities associated with the period.
“Young, Blunt, Aggressive, Slow to Smile, Impatient with Small Talk”: The Collapse of CCM and Thomas Russell, 1899-1904

For Canadian businessmen in the decade before the First World War, the founding of CCM in September 1899 served as a cautionary tale of how inept Victorian business practices like rapid amalgamation, floating directorships, and market speculation had disastrous effects on a company’s success.\(^\text{37}\) CCM was formed through the amalgamation of the Massey-Harris bicycle division and four American-owned bicycle companies operating in Ontario.\(^\text{38}\) The company was also firmly within the “Cox family,” an inner circle of companies which at its peak totalled 46 interlocking directorships and dominated the national business scene. Its six directors were some of Toronto’s leading financial capitalists, including Walter Massey as President, Senator George Cox as Vice-President, his son-in-law Alfred Ames, and Sir Joseph Flavelle as Secretary. Collectively their business interests traced back to the Macdonald era, when these men were steadily accumulating capital in rural townships surrounding Toronto. In the 1890s, their network of business holdings had expanded to include national banks, packing and insurance companies, railways, news outlets, and department stores.\(^\text{39}\) With the bicycle boom in full swing, and American imports competing in national sales, securing the Canadian market through monopolization made an effective strategy from both profit-driven and protectionist standpoints.


\(^{38}\) These included the H.A. Lozier Co. and Gendron Manufacturing Co., both in Toronto, the Goold Bicycle Co. in Brantford, and the Welland Vale Manufacturing Co. in St. Catharines. See John A. McKenty, Canada Cycle & Motor: The CCM Story. (Belleville: Epic Press, 2011), 47.

The near collapse of CCM two years later took Toronto’s corporate elite by surprise, but in hindsight coincided with the downfall of the continental bicycle trade. The number of bicycle plants in the United States had plummeted within three years from 312 to 101 by 1902.

Previously CCM’s directors had anticipated large profit margins and throughout 1900 they had begun investing heavily in company stock. To increase CCM’s revenue, shares were also made public on the Toronto Stock Exchange, becoming the largest publicly invested business in Canada after attracting over 100 investors and increasing the company’s initial capitalization to $6,000,000. It was not until CCM’s annual report in April 1901 that cracks in the foundations of the company began to emerge. CCM’s bicycle sales had actually dropped 66 percent, and with vanishing demand came serious levels of overstocking which risked closing production. The report also revealed poorly managed accounts and a failure to consolidate the company’s predicted market control, demonstrating a clear lack of attention to company finances. As annual dividends had been allocated to shareholders in advance, the overestimation of sales had led to a massive company loss. To make matters worse, CCM President Walter Massey had died of typhoid at 37 in October, which left the company without its most informed bookkeeper.

After a similarly devastating report the following year, and share prices falling from $100 to $15, Flavelle and newly elected President Joseph Shenstone, former Secretary for Massey-Harris, were the only two directors to address the shareholders’ annual three-hour meeting in March 1902, held at CCM’s King Street office. Flavelle could hardly be heard amongst accusations of incompetence and of appointing “unfit” directors who pursued their own interests over those of the company. Flavelle had put his reputation on the line, and so announced a
series of assurances promising drastic reorganization of the company involving cost-cutting schemes, personal financing of CCM by the directors, and the introduction of a general manager to direct the company and be held accountable for the future survival of the company. Despite their frustrations, the shareholders backed the arrangement.

When Flavelle approached the 24-year-old Thomas Russell, he had already made remarkable strides in his short career. Russell was born at his family’s 100-acre farm in Exeter, Huron County. His father was a prosperous Aberdeen shorthorn cattle breeder and importer, and had introduced Thomas to farming machinery and the exhibition circuit at a young age. After receiving his Bachelor of Arts in political science at the top of his class from the University of Toronto in 1899, he was employed as a lecturer in the Department of Political Economy, which began offering a diploma in commerce that year. Within a semester, Russell’s professionalism had already caught the eye of the CMA.\(^4\)

Since its establishment in 1871, the CMA had struggled to increase its small business membership, whose meagre profits seriously limited its influence outside of major urban centres. Russell was hired as the youngest secretary in the CMA’s history in 1900 and was tasked with increasing the association’s public outreach. Throughout his employment with the CMA, he urged manufacturers to see the advantages of a central business body capable of protecting business interests. As Russell wrote in *Industrial Canada* in 1901, “My belief is that no body of men have a deeper interest in the country or its progress than the manufacturers, and none should have a greater influence, and that influence will take form and express itself through the medium

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of this association.”42 The 132 members’ paltry $10 annual dues could hardly pay Russell’s salary. Yet his work as the founding editor of the extremely successful Industrial Canada, the CMA’s official periodical, made him a familiar name amongst CMA members, including CCM’s directors. At Russell’s resignation dinner in April 1902, after accepting Sir Joseph Flavelle’s offer to become general manager of CCM, many of his associates felt that he had been single-handedly responsible for the CMA reaching national prominence with 940 total members.43 The Conservative MP and businessman Albert Kemp, who Russell would have later business connections with in the early years of the war, declared that he “was worth all the salary that the man ever got or will get for the next five years.”44 Flavelle was also attracted to Russell’s work on Canadian protectionism, especially as the founder of the Canadian Industrial League, a branch of the CMA intended to inculcate a sense of loyalty to the tenets of the National Policy and domestic manufacturing.45 Russell’s education in modern business and management, his teaching in Canada’s earliest business education programs, as well as his protectionist stance and central role in organizing domestic manufacturers were seen as valuable traits for CCM, a company who had committed its public image to the claim of being the sole commercial producer of “made in Canada” bicycles.

As General Manager for CCM, Russell applied business progressivism to overhauling the company’s outdated business practices, emphasizing stronger managerial oversight, industrial efficiency and financially-driven decision making. Beginning with a massive cost-cutting

42 Industrial Canada, CMA, Vol. II, no. 4, November 1901: 140.
44 Industrial Canada, CMA, November 1901, Vol. II, no. 4: 144.
45 Russell’s commitment to protectionism was also embodied in his farewell speech, in which he announced that “I am too good a Canadian to use anything that comes from our cousins to the south of us, if I can procure it “made in Canada.” See Industrial Canada, CMA, April 1902, Vol. II, no. 8: 359.
exercise throughout 1902, he immediately closed down four of the company’s five bicycle factories and dismissed their workforces. He then consolidated all manufacturing at the former Lozier Manufacturing Company plant in the predominantly industrial suburb of Toronto Junction, whose own workforce was halved to 250. Hoping to reduce the company’s liabilities, Russell also set about eliminating CCM’s extensive retail network. Regional branches in Montréal, Saint John, Winnipeg, and Vancouver were all closed, along with sales offices in Hamilton, Brantford, and London. The company had also inherited international production and branches in Britain, Australia, and New Zealand from the Massey-Harris bicycle division. Russell personally travelled to each country to wrap up operations. By encouraging the use of travelling salesmen, telephone and telegraph inquiries, and shipping services as less costly alternatives to sales branches, Russell had cut CCM’s $1,000,000 budget for liabilities almost in half. However, the company also required new direction if its collapse was to be arrested and transformed into a financial success.46

As a car enthusiast, Russell was keenly aware of the new global sensation which had taken Western audiences by storm. Early experiments with one-off steam and electric carriage conversions had been popular among hobbyists since the 1860s. Following the Paris-Rouen electric car race in 1894, Paris became known as the automobile racing capital of the world. By the end of the century the Gordon Bennet Cup had been introduced and gasoline cars raced annually across France. Rising international motor car journals extensively documented the Western motor scene, with gasoline cars garnering near universal acceptance among professionals and the gentry alike for their association with thrill, leisure, and decadence. Like

other European monarchs, Edward VII was soon caught up in the speed craze, purchasing a
British Daimler in 1900, a year before his coronation, which became the official transport of the
royal family. As bicycle factories already possessed experience with the large volume of
precision machinery, skilled craftsmen, metalworking and tool shops necessary for both
industries, and with many United States bicycle companies already beginning car manufacturing
as a sideline, the auto industry appeared a logical solution to CCM’s outdated product line.\(^47\)

Russell’s initial intention had been to immediately begin retooling the Lozier bicycle
plant for gasoline automobile manufacture, but lawsuits against the directors continued on into
1904, preventing the level of financial backing required to fully reorganize CCM’s expenditures.
However, having already inherited the Canadian distribution rights for United States cars Winton
and Waverly from Massey-Harris, Russell’s 1904 expansion of the company’s product line
encompassed several other American brands, including Packard, Rambler, and Autocar to float
the company’s finances. Most notable was CCM’s acquisition of the exclusive rights for Ford,
which began production that year. In late 1902, Russell also directed CCM to purchase Canadian
Motors Limited, a Toronto firm first opened in 1897 to produce electric cars designed by
Canadian engineer William Still, but which, like so many smaller car producers, had closed due
to insufficient capital and less than half a dozen sales.\(^48\)

Automobile Industry to 1939,” in *Progress without Planning: The Economic History of Ontario from Confederation
to the Second World War.* Edited by Ian Drummond, 209-223. (Toronto: University of Toronto Press, 1987), 21. and
Jaroslav Petryshyn, *Made up to a Standard,* 14. who notes Thomas Jeffrey, Alexander Winston, Alexander Pope,
and George Price, among several others who entered automobile production from the bicycle trade.

\(^{48}\) UGA, Regional History Collection, XR1 MS A365, File 4. Hugh Durnford and Glenn Baechler, *Cars of Canada,
68-70.* and Michael Bliss, *Northern Enterprise,* 382.
With the production of CCM’s own Ivanhoe Electric at CML’s Yonge Street factory ready for the 1903 season, Russell had succeeded in delaying the company’s collapse and had turned its near-bankrupting loss a year earlier into a $30,000 profit for 1903. After several negotiations, threats of settling lawsuits in court, and agreeing to forfeit nearly $4,000,000 in shares between them, the directors had finally managed to put company affairs in order. At the directors meeting in April 1904, CCM’s reorganization was finally endorsed. Yet for Flavelle, if not for many of the other directors, the affair had brought into question the damaging effects of a business left idle while its directors attended to other concerns. In a letter to George Cox shortly before his departure from the company, Flavelle wrote “The experiences of the past year in business and financial matters has told me how mistaken I have been in dividing myself among so many activities, and how foolish my vanity had been in leading me to occupy positions which I filled with little real quality or excellence.” Flavelle’s sentiment exemplified a broader shift in the rise of managerial capitalism in the early 20th century; one which began to recognize industrial efficiency, departmentalization, and personal accountability as vital to financial success.

“Canadian by Birth, Not by Adoption”: Marketing the Russell as a National Brand, 1904-1908

When Russell first steered CCM down the road of motor car manufacture, it appeared that the company was tapping into the infant, high technology industry practically unopposed. Canada’s import duty on vehicles was enshrined in the National Policy and in 1879 was raised to 35 percent with the intention of stimulating the domestic carriage industry. Prime Minister Sir Wilfrid Laurier’s implementation of Imperial preferential tariffs removed nearly all import duties

between Canada and the rest of the British Empire in 1897 and appealed to government officials and manufacturers who aimed to make Canadian products more competitive in overseas markets while also incentivising foreign investment from companies in the United States. The market conditions these policies created has led historian Tom Traves to conclude that Canadian car manufacture was a “creature of the tariff.” ⁵⁰ The annual total of automobile importations into Canada only reached 350 American and five British cars at its peak in 1905. Instead, American car companies focused on the establishment of branch plants capable of bypassing the continental tariff wall to penetrate financially lucrative Imperial markets. Thus, protectionist trade policies provided domestic automobile manufacturers several financial advantages over foreign competitors. Yet as Russell and CCM directors soon realized, the Canadian car market would become far more competitive than they had predicted. ⁵¹

The two earliest American competitors to produce Canadian-made cars on a commercial scale were Oldsmobile and Ford of Canada, the latter after the expiration of CCM’s distribution rights to sell imported Ford cars in April 1904. Russell perceived the two companies’ entrance into the Canadian market in 1904 as a substantial threat to CCM’s monopoly of domestic car production. Oldsmobile’s rather unsuccessful arrangement with the Packard Electrical Company best reflects the fragility of the early car industry. Oldsmobile was the largest car producer in the United States and Packard was quick to capitalize on the company’s success. While initially appearing to be an infallible partnership, after a particularly poor year of sales in 1908 Oldsmobile was bought out by General Motors. Without its United States’ brother company, Packard closed its doors after only three years of production. ⁵² In stark contrast, Ford of Canada

experienced far more lasting success. Carriage manufacturer Gordon McGregor contacted Henry Ford to discuss the opportunity of forming a Ford branch at his Walkerville factory. Incorporated as the Ford Motor Co. of Canada, the new company was capitalized at $125,000, primarily from American investors. Unlike at CCM, southward-tied Canadian companies like Ford of Canada had the advantages of American start-up funds, engineers, car designs, and exclusive distribution rights. Yet as the experience of Oldsmobile attests, this did not guarantee a venture’s success.53

Despite somewhat unexpected competition, the success of the Russell car’s opening years of production led to rapidly expanding manufacturing capacity at the former Lozier factory. Originating in the 1880s, Toronto Junction had become Toronto’s first industrial suburb, with a working class population far higher than the city average. Industries such as Gunns Ltd., Ontario Stockyards, and Canada Foundry were attracted to the area by the allure of reduced property and utility costs. In Russell’s cost-cutting regime years earlier, he had guaranteed the Junction’s municipal council that at least 75 percent of CCM’s workforce would reside in the surrounding area in exchange for tax exemptions.54

Unlike at McGregor’s Walkerville plant, CCM produced all its car components on site, requiring a significantly larger workforce. As production grew between 1904 and 1908, CCM’s employment had more than doubled to around 600 male machinists, compared to McGregor’s 39 employees in 1907. Machinists worked ten-hour shifts, despite a failed strike for a nine-hour day in 1907, with an average wage of 25 cents an hour.55 After the debut of the Russell Model A in

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1905, CCM’s car production became the showcase article of the February 1905 edition of *Canadian Motor*. Intended for automotive hobbyists, the article offered readers a detailed account of Russell production. As described in the article, in order to further apply modern principles of business efficiency to the company, Russell’s reorganization had divided factory operations into eight departments, each under the administration of its own superintendent. Long bars of Canadian made rolled steel first passed through either the forging, moulding, machining, or punch press departments. The then finished car parts went on to the inspection department. In the assembly department which followed, Russell chasses were placed side by side and each piece fitted by hand. Once completed, each car was test-driven for three weeks, before reaching the finishing departments to be painted and upholstered, ready to be shipped to sales branches and showrooms.56

Drawing from the experiences of eliminating CCM’s bicycle distribution network, Russell was hesitant to repurchase financially burdensome sales branches unless the sites were particularly rewarding. When purchasing the Dixon Carriage Co. at Bay and Temperance Street to be used as the company’s first showroom in March 1904, Russell had been attracted to the premises’ central Toronto location. Over the following month, CCM renamed the showroom Automobile Corner and aggressively advertised the country’s first annual car show, to be held there the following month. The event garnered the attendance of both Henry Ford and a representative of Sam McLaughlin’s carriage works. On display were CCM’s Ivanhoe Electric and CCM imported Fords. Visitors were provided with mechanical demonstrations with the option to rent cars for a pleasure trip. CCM opened further showrooms and garages in Toronto,

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Hamilton, and Ottawa, and for locations outside of Ontario, CCM contracted the Dominion Automobile Company (DAC) as CCM’s sales agent in 1905. As the largest retailer for automobiles in the country, the DAC operated sales branches in both Central and Western Canada, and in the following two years the DAC expanded into Australia and New Zealand.\(^{57}\)

Much of the success of the Russell car can be attributed to Thomas Russell’s use of CCM capital to promote a “made in Canada” car culture through car design, print media advertisements, and exhibitions. From the outset, CCM directors’ marketing schemes were concentrated on establishing a target audience. The high price and low initial volume of their handcrafted cars alone made them out of reach of most consumers, instead attracting the interest of a wealthier clientele of urban businessmen and professionals.\(^{58}\) As the only Canadian manufacturer to rely solely on domestic manufacturing, CCM appealed to British-Canadian identity, drew on imperial-nationalist patriotism, and reinforced imperial iconography through the cars’ designs and advertising.\(^{59}\) Cars were only produced in left-hand drive, came in Daimler blue and burgundy, and a crown was selected for the car’s hood ornament in an effort to portray

\(^{57}\) By 1910, CCM’s Western sales branches included Winnipeg, Calgary, and Vancouver. See John McKenty, \textit{Canada Cycle & Motor}, 94-98, and Jaroslav Petryshyn, \textit{Made up to a Standard}, 41.

\(^{58}\) When the Russell Model A was released in 1905, only 25 were produced. The car’s price of $1,300 was well above that of the Fords and Oldsmobiles on the market. Prices increased further the following year with the release of the Models B and C, priced at $1,500 and $2,500. See \textit{The Globe} (Toronto), May 24 1907: 9. Richard White, \textit{Making Cars in Canada}, 9. John McKenty, \textit{Canada Cycle & Motor}, 34. and Mike Filey and Victor Russell, \textit{From Horse Power to Horsepower: Toronto: 1890-1930}. Toronto: Dundurn Press, 1993, 22. There remains no direct indicator of Thomas Russell’s salary during the Edwardian period. However, the Canadian Census of 1921 indicates a salary of $5,000. Anecdotal evidence of his purchases of cars and homes, and the salaries of businessmen within similar positions, suggest an estimated salary between $3,000 and $5,000. See Statistics Canada. \textit{Sixth Census of Canada (1921)}, Ontario, Toronto Ward 4. District 132, Sub-District 33, Page 22.

\(^{59}\) While it is difficult to discern whether CCM was interested in the French-Canadian market, never so much as producing a Russell car manual in French, the condescending tone of one 1914 advertisement titled the ‘Frenchman’s Experience’ perhaps best illustrates how French-Canadians were treated more as marketing tools in Anglo-Canadian fantasies than actual consumers. The advertisement read: “You will excuse my English writing, for when a Frenchman is doing his best, you cannot blame them… we race on the great state road. The speedometer stop to sixty miles an hour, that was his limit. It takes me a minute to go by, but I did, and after a few miles, the man that the —— car blew his horn. I turn my head and he ask me what car I have. I tell him a Canadian Russell-Knight, and he tell me next time he see one he will take his hat off.” See \textit{The Globe} (Toronto), April 29 1914: 9.
CCM products within the tradition of supporting domestic and imperial products. CCM directors intended their cars to be extravagances for men with sensibilities, interests, and pocketbooks comparable to themselves.

As an infant industry with a niche market, advertising was central to the publicity of the early automotive industry. As one 1912 advertisement in the Toronto Star attested, “Automobile manufacturers have found printers’ ink as important a factory as gasoline in moving their machines.” Approaching of possible similarities drawn between CCM and its American competitors, CCM’s newspaper advertising endeavoured to demonstrate that “The Russell is Canadian by birth, not by adoption.” Advertisements emphasized the Russell’s “harmony” with the Canadian landscape and how Canadians expected more refinement and durability than American models offered. In a July 1908 issue of The Globe, one CCM advertisement describes a country journey: “Up hill and down dale, ‘long highways, past green fields and country hamlets, through sand and mud over corduroy and asphalt in all kinds and conditions of climate and weather, behold the Russell Motor Car ever and always practicing what we preach for it. ‘Reliability’.” In another advertisement the following year, the tagline ran “The Russell automobile is made in Canada – made to meet the conditions of our Canadian roads by men who know what those conditions are.” As technology and designs were refined each year, CCM showcased their cars at motor shows and exhibitions to introduce new vehicles and innovations.

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60 Toronto Star (Toronto), January 22 1912: 10.
61 The Globe (Toronto), July 2 1908: 7; February 25 1909: 2. In order to raise brand awareness, CCM also began producing ‘automobile skates’ in 1905. Personally patented by Thomas Russell, they were aggressively marketed for their superior quality of skate metal salvaged from CCM’s punch press department, soon becoming the most popular brand in Canada. See Merrill Denison, C.C.M: The Story of the First Fifty Years. Toronto: McLaren, 1946, 32. and Jaroslav Petryshyn, Made up to a Standard, 21.
to the public. Russell’s efforts to publicize the company played a decisive role in increasing its sales and furthering its financial goals.

Russell also engaged in the establishment of hobbyist clubs which aimed to promote the political advocacy of automotive interests, becoming the first Secretary of the Toronto Automobile Club (TAC) when it was founded in May 1903, around the time CCM’s Ivanhoe Electrics first came to market. As early automobiles sold well above the price range of most annual incomes, the TAC’s 27 founding members were largely from wealthy backgrounds. This included some of CCM’s directors and members of the CMA, like John C. Eaton, who Russell later had war business with.62 The Club was intended to foster sociability between its members. Flavelle was taught how to drive his new Model B at the Club by Russell after trading in his Ivanhoe in 1906. Yet another key aim of the TAC was to lobby for the interests of the Canadian-made car industry, one instance being during the deliberation of the Legislative Assembly of Ontario on the province’s first Motor Vehicles Act in 1903. While preliminary decision making had settled on 13km/h within city limits, the urban speed limit was increased to 16km/h after the entire TAC arrived outside the Ontario Legislature, filled each car seat with an MPP, and offered them a free drive through city, lobbying them as they went. A 24km/h limit was set in rural areas, just 2km/h above the Ivanhoe Electric’s maximum speed. After forming the Ontario Motor League in 1907 from the auto clubs of Toronto, Hamilton, Kingston, and Ottawa, Russell became the League’s first president and he successfully lobbied for a further increase in the speed limit to 32 km/h in 1912.63

62 UGA, Regional History Collection, XR1 MS A365, File 3. Michael Bliss, A Canadian Millionaire, 122. and Jaroslav Petryshyn, Made up to a Standard, 17; The Toronto Automobile Club and the Ontario Motor League were forerunners to the Canadian Automobile Association, which formed in 1913.
Through his connections with the “Cox family” group, and as an active member of associations like the CMA and TAC, Russell had acquired substantial influence in select political and business circles. By 1908, CCM’s Toronto Junction factory was producing around 200 cars annually. Demand was outstripping supply and the company was not far behind Ford and Oldsmobile in national sales. Its extensive sales and service networks rivalled department stores like Eaton’s and Simpson’s. Russell had personally shared in the success, purchasing a home on Walmer Road in the Annex, a wealthy neighbourhood in North Toronto. He also purchased Brae Lodge, a 650-acre farm in Downsview which Russell used as a second home and to breed shorthorns. Russell had proven that his application of business progressive reforms to CCM, by promoting industrial efficiency, newspaper publicity, and the company’s political capital by building ties within organizations, could lead to unbridled financial success.

“Every Farmer will soon be using an Automobile”: Automotive Competition in the Era of High Publicity, 1908-1911

A number of market fluctuations in the automotive industry in 1908 contributed to the rapid growth of Canadian car ownership. The number of registered vehicles in Canada between that year and the outbreak of the First World War rose from 3,000 to over 69,000. Perhaps the most significant contribution to car ownership’s rise was the introduction of the Ford Model T. The Model T’s production was an exercise in reductionism. Every step of factory operations was heavily scrutinized to increase the speed of production and reduce car cost. With production starting at the Walkerville plant in March 1909, Ford of Canada had already sold 458 by August at $1,150 each. By 1914, the application of the moving assembly allowed Walkerville to produce

64 UGA, Regional History Collection, XR1 MS A365, File 4.
14,400 Model Ts annually at a price of $650, and while around half of these were intended for export to Empire markets, the price put the Model T well within reach of most Canadian farmers.\(^{65}\) As a result, car sales in Western Canada boomed during the period, increasing from 10 to 29 percent of the country’s car ownership. Another cause of rising car availability was the explosion in the number of new commercial car producers. Most notable was Sam McLaughlin, who after converting from carriage manufacture in November 1907 made an importation arrangement with Buick and established the McLaughlin Motor Car Company. Despite the rapidity with which new companies entered the industry, the competitive advantage of established producers meant long-term success remained incredibly unlikely. Of the 35 new automobile companies that opened in Canada after 1908, only two survived for more than a decade.\(^{66}\) The application of time saving procedures to commercial car production, as was being implemented at Ford of Canada, made competition by volume of sales nearly impossible for CCM. The company’s directors felt that mass-produced cars were part of an American car tradition intended for less affluent consumers, and were convinced that Canada’s urban elite would continue to purchase their product in sufficient numbers so long as the Russell aligned itself with the incomparable luxury and service found in the British and European leisure markets. Russell responded to increasingly competitive Canadian markets through his acquisition of the Knight engine in 1909 and developed elaborate promotional campaigns employing print media and publicity stunts to compete with larger producers.

With its competitors in the Canadian car market working hard to convince consumers that imported American designs and technology were less costly and of superior quality, CCM’s


directors were persuaded that they could no longer operate outside of international trends. American engineer Charles Knight had signed an agreement with British Daimler executives in 1907 and in the following year the company released a line of cars with Knight’s engine. The engine caught on so quickly within wealthy European circles that it soon became known as the “Silent Knight,” with luxury German and French manufacturers striking contracts with Knight not long after. Russell visited Britain in 1909 and secured a contract with Daimler to be the exclusive importer of Knight engines into Canada, and in the following year released two models, the Russell-Knight 22 and 38. In an article sensationalizing CCM’s acquisition titled ‘Motor Invention Marks New Era’ in a January 1910 issue of The Globe, Charles Knight is discussed lecturing at the University of Toronto on the merits of the engine with an audience of “automobile makers and users as well as hundreds of students of all branches of engineering.” The article drew on Imperial allegiances and the elitism of CCM’s car purchasers by informing readers that “Already, the Prince of Wales in England has acquired two cars with this new motor,” and when mentioning American brands was quick to note “that thus far none have been arranged upon that side of the border.” The new Russell-Knights became an instant success and for the next few years accounted for over half of CCM’s product line.

Like in CCM’s earlier publicity attempts to boost sales on its cars, Thomas Russell intensified his commitment to the company’s public image and began experimenting with

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67 Tom Traves, “The Development of the Ontario Automobile Industry to 1939,” in Progress without Planning, 212; The Knight engine used sleeve valves rather than the traditional poppet valves, but despite making it the quietest engine available, Charles Knight was unable to sign a contract in the United States. See The Globe (Toronto), January 26 1910: 5.
68 The highest priced was the luxurious Russell-Knight 38 Berline costing $5,800, a limousine-style car which Durnford and Baechler describe as being “upholstered in a rich, corded material and equipped with huge plateglass windows with silk shades, a speaking tube for addressing the chauffeur, cutglass flower holders, and special pockets for umbrella, fans, opera glasses, and such.” See Hugh Durnford and Glenn Baechler, Cars of Canada, 20. and The Globe (Toronto), September 3 1910: 6.
unconventional forms of business promotion. Russell began to employ advertising placements in Toronto cultural events. For instance, Russell convinced the director of *The Vanderbilt Cup* being performed at the Toronto Opera House to use two Russell cars for the race scene. Perhaps CCM’s most eccentric publicity stunt was in January 1909 when a Russell Model C raced on the frozen ice of Lake Ontario against an ice-yacht, as supposedly thousands watched on the Toronto harbourfront as the Russell seized a narrow victory. By the end of the decade, CCM newspaper advertisements and company pamphlets began documenting high-profile purchases to further boost their cars’ popularity. The railway magnate Donald Smith gifted Prime Minister Wilfrid Laurier a Russell for his first car in 1908. Named “the finest in the capital,” the car was estimated to be worth $8,000, but was destroyed following a fire at CCM’s garage on Sparks Street in December. CCM newspaper advertising began to associate ownership of their car with financial and personal betterment through taglines like “Made of the best, by the best, for the best” and “Be influenced by successful men.” The company also began presenting lengthy customer reviews from high-end clients, including many small-town businessmen and barristers, many detailing how they had been so pleased with their previous year’s model that they had decided to buy a second. Russell’s adoption of an extensive commercial presence armed CCM

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70 Russell cars were also entered into racing competitions, and came first twice in 1908, in September at Winnipeg, and in Montréal the following month. As the heated event was described, “Thousands witnessed amid scenes of great excitement, the keenly contested races, and they got their money’s worth. The races further demonstrated the fact that Canadians no longer need look outside Canada for the finest and fastest cars made.” See *The Globe* (Toronto), September 3 1908: 5; and October 1 1908 5. John McKenty, *Canada Cycle & Motor*, 108. Hugh Durnford and Glenn Baechler, *Cars of Canada*, 89. and Jaroslav Petryshyn, *Made up to a Standard*, 35.


72 In 1911, Russell titled that year’s CCM pamphlet ‘By Royal Appointment’ after providing the Governor General Duke of Connaught with two chauffeured Russell cars for travel during his state visit to Toronto. The pamphlet told its readership that the Duke was so pleased with the Russell car that he requested another for his visit to Montréal. See *The Globe* (Toronto), January 4 1912. Burlington Public Library (BPL). Aldershot Tweedsmuir Histories, Vol. II, no. 4, The Russell Bulletin, October 1915, 59 (17-20). and Jaroslav Petryshyn, *Made up to a Standard*, 34.
with a competitive advantage against larger American producers capable of offering cars at a cheaper price point.

Conclusion

Thomas Russell and his application of business progressivist reforms to CCM’s automotive business had brought the company into the new century. By 1912, additions were made to CCM’s factory at Toronto Junction every year and the workforce had expanded to 1,200 machinists. His activities had not gone unnoticed. At CCM’s general meeting in April 1911, the directors endorsed another reorganization of the company, this time the result of the company’s successes rather than its failure. CCM was to be renamed the Russell Motor Car Co., with CCM’s bicycle division becoming a subsidiary. So valued was Russell’s personal contribution to the company that in addition becoming the new company’s vice-president, the directors agreed to place $100,000 of insurance on Russell’s life. By all accounts, the cautionary tale which was CCM’s collapse a decade ago had become a distant memory in the minds of Canada’s business community. Instead, what came to mind was how experimental business practices and product promotion had turned the company into a success. The governmental ties that Russell had developed within business and political circles during the Edwardian period would come to play an important role in maintaining the financial success of the company during the 1911 tariff debate and election of Sir Robert Borden, surviving the 1913 recession, and in securing munitions contracts during the early war years.

Chapter 2: The RMCC, Borden Government, and the Shell Committee, 1911-1916

Introduction

In the first decade of the 20th century, Russell had transformed the Canada Cycle and Motor Company (CCM) from a financial disaster into one of Canada’s leading producers of automobiles. The directors of the newly reorganized Russell Motor Car Co. (RMCC) had directly attributed their financial success to the adoption of progressive business strategies and attentive managerial oversight, allowing the company to remain competitive in spite of the challenges it faced in a fragile, high technology industry. But beginning with the tariff debate during the Federal Election of 1911, Russell was challenged by several obstacles which put the company’s financial future in doubt. Russell’s participation in the campaign to support Canadian protectionism allowed him to expand his contacts in business and government substantially, especially after the election of Sir Robert Borden’s Conservative Party. But a devastating recession in 1913 decimated the RMCC’s commercial market. Russell sought to use the outbreak of the First World War as an opportunity to secure government war orders through Sir Sam Hughes and the Shell Committee and return the RMCC to profitability. But as relations with Hughes eroded and the company struggled to receive further contracts, Russell used his public image and government contacts to shed light on military misspending in an effort to reform munitions policy and with the hopes of more favourable conditions. This chapter has been divided into five sections. The first examines Russell’s role in the 1911 election debate and how he accumulated government influence. The second and third sections discuss Russell’s role as special purchaser of vehicles, his engagement in government propaganda, and the investigation by the Public Account Committee (PAC) into military purchasing. The fourth and fifth phases
focus on Russell’s attempts to acquire munitions contracts through the Shell Committee, and later his role in the Shell Scandal. Collaborating with other business progressives, Russell went to great lengths to secure the RMCC’s financial interests.

“Flying at Each Other's Throat”: The 1911 Reciprocity Debate and the End of the Laurier Years

Since the election of Prime Minister Sir Wilfrid Laurier in 1896, Canada had enjoyed a period of unprecedented economic and infrastructural growth that was largely attributed to the Liberal Party’s moderate economic protectionism, transportation and open immigration policies. In late 1910, the Prime Minister announced negotiations with American President William Taft to enact a reciprocity agreement to eliminate continental trade barriers following Laurier’s hoped-for re-election in September 1911. While reciprocity was supported by Western Grain Growers’ Associations wishing to gain cheaper access to continental markets, the announcement alarmed many Canadian big businesses, who contended that Laurier’s reciprocity deal threatened both their companies’ financial interests and those of the nation. As Chairman of the Tariff Committee for the Canadian Manufacturers Association (CMA), Thomas Russell collaborated with the association’s members and anti-reciprocity politicians on both sides of the House of Commons to spearhead a national publicity campaign in support of Canadian protectionism. The 1911 anti-reciprocity campaign established strong ties between businessmen and the political establishment, culminating in the election of Sir Robert Borden’s Conservative Party in September 1911 and having a lasting impact on Canada’s wartime political administration.74

As early word of Laurier’s negotiations reached the CMA in September 1910, the Prairie Grain Growers’ Associations agreed to meet Russell and other Tariff Committee members in

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Winnipeg. Upon Russell’s return he was quoted in an article in The Globe condemning reciprocity as “radical [and] revolutionary,” and arranged to speak in December before the Canadian Club. His speech, titled ‘The Grain Growers and the Manufacturers,’ attracted an audience of over 600, which included senators and cabinet ministers. Reprinted in the January edition of Industrial Canada, Russell drew from his experience as a cattle hobbyist, suggesting that Western Canadian farmers’ financial difficulties lay in their failure to adopt new and efficient farming practices similar to those adopted by business progressives in new technology industries. Yet as rural historian Margaret Derry notes, agricultural hobbyists who did not rely on produce as a sole source of income were typically unfamiliar with the financial hardships which came as a result. Russell went on to paint “a great many” farmers in Western Canada as “new Canadians” whose support for reciprocity was due to failing to realize the grander national purpose:

Think what it means to have a body of men, a great many of whom have not been in the country for 20 years, and unacquainted with our national history or development, and all of whom are engaged in a single industry, demanding with all the confidence, all the assurance of prosperous youth, that the whole policy of the country developed through generations, and affecting every class and

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76 Russell also sought to reveal a false dichotomy between prosperous manufacturing interests and impoverished Western farmers, stating in his speech that “like all other classes, there are all kinds of Western farmers. But they are no downtrodden class. The heel of the manufacturer has not been on their neck; it has been at the foot of the ladder steadying it so that they might mount. Many of them are landlords, who measure their possessions in the denominations by which countries and continents are measured, that is, square miles. Many live in towns and farm by proxy, simply letting contracts for sowing and reaping. I met more than one man in the West threshing 100,000 bushels of grain. Many, I say, are landlords, not farmers. Others, of course, are not. We, as manufacturers, grudge them not this – rather we are glad. We rejoice in their prosperity, but surely we have a right to ask that they drop the fervid oratory talk about paying tribute to anyone; when it is the common knowledge in Canada today that there is no class in Canada making so great a return on his cash investment as the farmer in North-Western Canada.” See T.A. Russell, “A Prosperous Class,” Industrial Canada (Toronto), Vol. XII, no. 7, January 1911, 638
industry in the country, shall at one fell swoop be changed at their bidding. Is it reasonable? Is it sensible?

Russell accused Western farmers of having little regard for Canada’s manufacturing interests and claimed that manufacturers’ success was integral to the successful development of the domestic market. Drawing on fears of the financial collapse of the Canadian market, he insisted that national development was only achievable through national cooperation centred around the tariff, suggesting that manufacturers and farmers need to “come together and know each other’s problems instead of flying at each other’s throat.”

The following day President James Scallion of the Manitoba Grain Growers’ Association responded to Russell’s speech. Scallion contended that Russell had oversimplified the reciprocity debate, which was “not a question between east and west, but a question between the large consuming masses of Canada as against the beneficiaries of our present fiscal system.” He also described Russell’s slight to farmer inefficiency as “fatherly advice,” retorting that “it seems to be part of the duty of men who do not live on the farm and who have no experience in the requirements of the farm to tender advice to the farmer.” Scallion’s condemnation of Russell and the CMA Tariff Committee was one of several accusations of misleading public discussion put forth against manufacturers by farmer advocates over the coming months. In a two-hour debate between Russell and Master E.C. Drury of the Dominion Grange arranged by the Toronto Sun in January, Russell outlined his sense of distrust for American interests, stating “we cannot count on their good-will being continued for a single moment beyond the time when they think it

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80 For instance, Thomas McMillan, a farmer from Seaworth, accused Russell of relying on fears of financial collapse, and asked manufacturers, “why do [they] so far discount the better judgement of Canadian people as to think they will be frightened and diverted from the clear path of national duty?” see The Globe (Toronto), January 21 1911: 1 and 15.
pays them to do it.” Like other manufacturers in the 1911 tariff debate, Russell proposed an impartial tariff committee to “scientifically” manage continental price fluctuations and ensure the best value for both farmers and manufacturers. However, as Russell discovered when speaking before Liberal MPs at the Laurier Club the following month, most saw Russell’s image of cooperation as no more than a token gesture to further manufacturers’ own financial interests.81

Nevertheless, Russell’s speech clearly echoed the views of a few manufacturing Liberal politicians. In February 1911, a coalition of Toronto business politicians known as the “Revolt of the Eighteen” headed by lawyer Zebulon Lash, a lifelong Liberal Party supporter who had become vice-president of George Cox’s Canadian Bank of Commerce the previous year, released an anti-reciprocity manifesto in the House of Commons. The following day, Liberal MP for Brantford Lloyd Harris arranged a meeting between prominent Liberals and Sir Robert Borden. Harris, a founder of Stelco, was a former vice-president for the CMA and had become one of the RMCC’s directors during the company’s reorganization in 1911. Borden has been described by Historian Michael Bliss as an idealistic “progressive” Conservative who shared businessmen’s interest in efficient and uncorrupt government while also seeking to make the Conservative Party more receptive to modern industrial issues surrounding tariff protection, rising trade unionism, and government intervention in the economy. At the meeting, attended by Lash, journalist Sir John Willison of the Flavelle-owned Toronto News, and Minister of the Interior Sir Clifford Sifton, Harris agreed that anti-reciprocity Liberals would back Borden’s Conservative Party in the upcoming election in exchange for consultation on cabinet appointments. While ultimately

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81 The Globe (Toronto), January 28 1911: 3; and January 13 1912: 23.
ensuring Borden’s successful election in September, the move heightened the divide between manufacturers and other sectors of Canadian society.82

Over the months preceding the election, several manufacturers’ associations were formed to lobby public opinion against Laurier’s plans of reciprocity and aid Borden’s bid to become Prime Minister. Most successful were the Canadian National League, established by Lash, and the Canadian Home Market Association (CHMA). Formed in March 1911, the CHMA was originally named the Tariff Education Fund and was formed as a clandestine off-shoot of the CMA Tariff Committee in an effort to avoid being associated with the CMA’s increasingly tarnished reputation among trade unions and farmers. Russell was appointed chairman of the CHMA and acquired the mailing lists of the Conservative Party, the CMA, Massey-Harris, and other large firms. He then made advertising contracts with hundreds of local newspaper weeklies, and by August the CHMA had distributed over 9,000,000 copies of pro-tariff pamphlets across the country. In the much-anticipated election the following month, Borden’s Conservatives defeated Laurier’s Liberals 134 to 87, with Conservative votes coming overwhelmingly from Ontario, with some further support from Manitoba and parts of urban Québec.83 While Borden had pledged a platform of national unity, the increased representation of manufacturers in government and advisory roles began a precedent of severely regionalized and

divisive Canadian politics which was only heightened further with the conduct of the war years. 84

**Constructing the “Death Machines”: Hon. Major Russell as Special Purchaser of Vehicles, 1913-1915**

The declaration of the British Empire’s entry into the First World War on August 4, 1914 caught the Borden Government and Canadian public off-guard. Manufacturers were still largely preoccupied with the harsh recession which had commenced in early 1913. Whereas profits at the RMCC had peaked to $180,000 in 1912, in just two years the company had lost over $500,000, share prices had plummeted and the directors were forced to guarantee the company for $650,000 to avoid financial collapse. Like in 1901, Russell implemented cost-cutting techniques and marketing campaigns in an effort to salvage company finances. But the outbreak of war redirected Russell’s efforts, having to rely on Canadian equipment and imperial munitions contracts in order to maintain the RMCC’s financial viability. In contact with Sir Sam Hughes, whose time as Minister of Militia and Defence was mired in incompetence, nepotism, and frivolous spending, Russell was appointed Special Purchaser of Vehicles and acquired a total of 265 motorized vehicles on behalf of the Canadian Expeditionary Force (CEF). In subsequent hearings by the Public Accounts Committee and the Royal Commission on Shell Contracts, Russell played a substantial role in agitating for the reform of outdated military purchasing practices on the Canadian home front. Russell adapted his experiences with publicity campaigns

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in the Edwardian period to assist government propaganda efforts to create a culture of wartime enthusiasm in the early years of the war.\footnote{Jaroslav Petryshyn, \textit{Made up to a Standard}, 71. and Tom Traves, “The Development of the Ontario Automobile Industry to 1939.” In \textit{Progress without Planning: The Economic History of Ontario from Confederation to the Second World War}. Edited by Ian Drummond, 209-223. (Toronto: University of Toronto Press, 1987), 212.}

When the recession hit in 1913, the RMCC had also been experiencing technical problems with its famed Knight engine, which was by then being produced domestically at the former Lozier plant in Toronto Junction. In September 1911, Russell contracted two European Knight engineers and three representatives from American automobile manufacturers to aid in the transition from importing the engines. However, expansion of the Lozier plant to reach a capacity of 1,500 workers had put production months behind schedule. Producing only 80 cars in 1913, customers began to report valve breakages, seriously injuring the Russell-Knight’s reputation. While continuing the Russell-Knights 28 and 42 at a reduced price, the company’s 1914 model line was cut in half.\footnote{Industrial Canada (Toronto), Vol. XIII, no. 3, September 1912: 232. \textit{The Globe} (Toronto), April 23 1913: 9; Advertisements showcasing the RMCC’s product line is available from \textit{The Globe} (Toronto), February 22 1915: 9.} While Russell went to various lengths improve the RMCC’s commercial standing, little cushioned the company finances.\footnote{Jaroslav Petryshyn, \textit{Made up to a Standard}, 99-111. Donald F. Davis, “Dependent Motorization: Canada and the Automobile to the 1930s,” in \textit{The Development of Canadian Capitalism: Essays in Business History}. Edited by Douglas McCalla, 191-218. (Toronto: Copp Clark Pitman, 1990), 191. and Hugh Durnford and Glenn Baechler, \textit{Cars of Canada}. (Toronto: McClelland and Stewart, 1973), 95.}

Like other big business elites, Russell turned to war contracts as a solution to his company’s crumbling commercial opportunities. As noted by historian Jack Granatstein, early
preparation for the war was “at best semi-organized chaos.” From the outbreak of the war until the formation of the Imperial Munitions Board (IMB) in November 1915, Sir Sam Hughes was responsible for military purchasing in Canada on behalf of both the Canadian Government and British War Office. A veteran of the Second Boer War, Hughes shared the popular opinion within military circles on both sides of the Atlantic that any future imperial conflict would be of short duration and focus on high_mobility warfare, with motorized vehicles playing a central tactical role. Hughes was also a staunch imperial-nationalist and determined to demonstrate Canada’s wartime industrial potential. Yet, members of the Department of Militia were often unfamiliar with modern business practices and lacked the vocational expertise to secure fair prices within high technology industries. As Hughes later described his war purchases, “the point with us was reduction in the price and speedy delivery; and I believe that competition would affect both.” Thus, rather than surveying possible work inquiries from private firms and having them compete for contracts, Hughes relied on the consultation of businessmen suggested to him by close associates.

The failure of Hughes’ military contracting system to provide equal opportunity for contracts was less than ideal for Canadian manufacturers. But Russell was in no position to further jeopardize the RMCC’s finances, and on August 14 1914 he travelled to Ottawa with one of his top salesman, J.H. McQuarrie, who claimed a childhood friendship with Hughes. After

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89 As noted by Desmond Morton, a short, technology-driven war was also expected by government and military officials for financial reasons. It was believed no country could withstand the financial burden that was predicted to come from a war using modern technologies which absorbed a substantial portion of the industrial workforce. See Desmond Morton, *A Military History of Canada*. (Edmonton: Hurtig Publishers, 1985), 132.
90 Quoted from Hughes during the Shell Scandal, see Library and Archives Canada (LAC), Canada Royal Commissions Collection, R1141-0-X-E (RG33-61), Vol. 1, File 1, Shell Committee Contract, Statement by Major-General Sir Sam Hughes, 1916; Hughes’ uncompetitive business consultations were viewed unfavourably on the Canadian business scene, with Sir Joseph Flavelle describing his conduct as “repellent to honourable houses” for long being acquainted with military middlemen. See Michael Bliss, *A Canadian Millionaire*, 241.
careful negotiations, Russell was appointed Hon. Major and given the title Special Purchaser of Vehicles for the First Contingent. In effect, the position gave the RMCC a monopoly on military vehicle acquisitions in Canada. However, meeting Hughes’ demands when he had little knowledge of military vehicle production proved difficult. After informing Hughes that motorized military trucks could be feasibly produced at the rate of one per day, Russell was told to have 25 available within the next two weeks. Hughes also requested that Russell purchase 800 military wagons, a field Russell professed to know little about, but he nonetheless made the necessary purchases.

In early September, Hughes contacted Russell again, requesting a further 128 motorized trucks which he expected Russell to accompany to Britain, catapulting the cost of orders to $400,000. On short notice, the company purchased chasses from the American Kelly-Springfield Co. and designed and built the truck bodies at the Lozier plant. Along with seven Russell 32s and eight Russell delivery vehicles, the truck order was shipped unassembled to Québec City in early October, where Russell supervised their loading and followed them to Britain for assembly on Salisbury Plain. Russell did not return to Canada until December, but did place an advertisement in that month’s *Industrial Canada* titled “High Praise from the Front” in an effort to use war publicity to improve his company’s auto sales. The article included

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91 Jaroslav Petryshyn, *Made up to a Standard*, 114. Richard White, *Making Cars in Canada: A Brief History of the Canadian Automobile Industry, 1900-1980*. (Ottawa: Canada Science and Technology Museum, 2007), 28, and *The Globe* (Toronto), March 26 1915: 1 and 5; while Special Purchaser of Vehicles, Russell took full advantage of his position by snubbing the requests of his biggest competitors. This was certainly the case with Buick-McLaughlin, who despite requests, received no automobile contracts during the war due to competition between the two companies since Robert McLaughlin’s arrival on the automotive scene in 1908, See, Hugh Durnford and Glenn Baechler, *Cars of Canada*, 22.

testimonies from British officers detailing the car’s performance “under very adverse conditions” and claiming they “were known to be the most comfortable cars on any road.”

Despite an excellent commendation from High Commissioner Sir George Perley in London, Hughes, in a routine act of political favouritism, decided to replace Russell with the American automobile engineer Owen Thomas following an endorsement by one of the Minister’s military associates.94

Russell’s reputation among CMA members and on the Canadian motor scene meant that he and Hughes continued to cross paths, and he would once again find himself fulfilling contracts for Hughes. Following Russell’s return from Britain in December 1914, he was contacted by Provincial MP for Northwest Toronto William McNaught to discuss the feasibility of designing and producing 15 armoured vehicles. McNaught had arranged with Hughes to form the Special Land Transport Committee funded by a $100,000 donation from the department store tycoon Sir John Eaton. Hughes believed the vehicles could play an important role in showcasing Canada’s modern technological growth, and despite having no previous experience producing military vehicles, Russell was eager to fulfil the order to compensate for his company’s lost revenue.95 However, in January 1915, Hughes arbitrarily raised the number of vehicles needed to 40 and decided to use government funds to cover the excess expenditure. Over the ensuing

93 *Industrial Canada (Toronto)*, Vol. XVI, no. 3, December 1915: 834.
94 Hugh Durnford and Glenn Baechler, *Cars of Canada*, 314. and LAC, R219-109-2-E (RG25-B-1-b), Vol. 220, File M-43-10. Sir George Perley to W.T. White, January 5 1915; Mr. E. Palmer of RMCC went with Russell to Britain to deliver and assemble the first transport division in late 1914. He then travelled on behalf of the Imperial Government to Russia to help create an army transport corps. The expedition illustrates the impression Russell made on British military leaders and Russell’s search for international business. See *The Globe* (Toronto), May 10 1915: 7; It is possible that Owen Thomas operated the Owen Thomas Motor Car Co. in Wisconsin from 1907 to 1910, but his experiences between then and the war years remain elusive. For what limited information is available on his time as Special Purchaser of Vehicles for the Second Contingent, see *The Globe* (Toronto), July 13 1915: 6.
95 Hugh Durnford and Glenn Baechler, *Cars of Canada*, 314-317. Jaroslav Petryshyn, *Made up to a Standard*, 119-20. and Mike Filey and Victor Russell. *From Horse Power to Horsepower: Toronto: 1890-1930*. (Toronto: Dundurn Press, 1993), 94. As early as September 1914, Sir Clifford Sifton and the textile businessman Sir Charles Gordon donated funds to research the building of an armoured car prototype, but the project never reached completion; As with Russell’s previous contract, Hughes emphasized the swiftness by which the order should be completed, leading Russell to acquire chasses from an outside source, this time the Thomas Jeffery Co. of Wisconsin, which had been experimenting with similar military vehicle designs.
months, RMCC engineers worked closely with McNaught in designing and building the armoured vehicles. Newspapers described in detail the equipment and operations of the ‘Jeffrey-Russells’ by soldiers, and sensationalized the test drives taking place on the muddy, unused factory acres and surrounding Northern Toronto. The cars also acquired several nicknames, which included the “war machines,” “death machines,” and “death engines.” When finally completed and unveiled in April, the order consisted of the 40 armoured cars, eight support trucks, and a single armoured Russell-Knight 38 scout car, which were then paraded around the streets of Central Toronto before being displayed at Exhibition Place, where a military training ground had been established since the start of the war.96 Before being shipped to Britain in November, the vehicles were a key feature of the Canadian National Exhibition (CNE) in 1915. Intended to strengthen wartime enthusiasm, the soiree of spectacles perused by the public at the CNE included bayonet practices and mock trench rehearsals performed in front of vast crowds.97 Russell used his experience in government and commercial publicity campaigns to realign the RMCC with the production of war materials in an effort to restore the company’s financial success, in turn helping coordinate early state initiatives to promote wartime enthusiasm through patriotic events on the Canadian home front.

“Loose, Irregular and Illegal”: The Public Accounts Committee, March to July 1915

Despite ongoing resentment over Borden’s electoral victory in 1911, with the arrival of the war the Liberal Party agreed to reduce partisan conflicts and endorse government policy. But

96 For news articles on armoured cars produced by the RMCC, see The Globe (Toronto), November 27 1914: 8; January 5 1915; and April 24 1915: 1; described as the ‘imposing war machine,’ in The Globe (Toronto), May 22 1915: 8. the article describes a ‘miraculous escape’ of soldiers whose armoured car had toppled over en route to Niagara, where four vehicles were arranged to be displayed; Hugh Durnford and Glenn Baechler, Cars of Canada, 314-7, and Jaroslav Petryshyn, Made up to a Standard, 119-20.
their political truce came to an abrupt conclusion when over $50,000,000 in exuberant
government war expenditures were brought to light in March 1915. Following Liberal demands
that a bipartisan parliamentary committee be formed to investigate Hughes’ unsupervised
wartime purchases, Borden responded to the War Contracts Scandal by establishing the Public
Accounts Committee (PAC). Before concluding its investigation in July, the Committee was
heavily publicized in national newspapers, who described the conduct of 87 interviews of
Hughes’ associates, revealing a slew of erratic business dealings.98 This included supplying the
CEF with the notoriously defective Ross rifle, costing $6,500,000, which over 1,500 soldiers
tossed to the ground during the Battle of Ypres in April in favour of picking up Lee Enfields
from dead British soldiers. Another was the MacAdam shield shovel. Costing $33,750 in design
and production, the final product amounted to a shovel with a hole in it for firing purposes,
described by Granatstein as “good for neither digging or shooting.”99 As the first government
investigation into military purchasing practices, the PAC was central in exposing the grave
mismanagement of wartime spending while also heightening growing hostilities between the
business community and Hughes’ role within the military establishment.

By having Russell and his successors purchase a myriad selection of civilian and
military-styled Canadian cars, Hughes had sought to showcase the sheer diversity of Canada’s
high tech automotive industry. Yet in a typical moment of neglect to detail, Hughes took little
account of the racking up of war expenditures and even less thought to public sensitivity about

98 The Globe (Toronto), July 8 1915: 7; and July 13 1915: 6.
99 Quoted from Jack Granatstein, Hell’s Corner, 9; also see Jeffrey Keshen, Propaganda and Censorship during
Canada’s Great War. (Edmonton: University of Alberta Press, 1996), 171. Desmond Morton, A Military History of
Canada, 146. War Scandals of the Borden Government. (Ottawa: Liberal Party of Canada, Central Information
War: Essays in Honour of Robert Craig Brown. Edited by David Mackenzie, 138-153. (Toronto: University of
Toronto Press, 2005), 141.
war profiteering. Russell was called to Ottawa in both March and July 1915 to justify his $48,000 profit on his $400,000 order of 125 vehicles as Special Purchaser. While initially defending the turnover as appropriate for the order’s size, he quickly diverted the PAC’s attention towards his difficulties working with Hughes’ unrealistic deadlines and wholly ambiguous order specifications, testifying that “there was not a scrap of paper in the Department of Militia to indicate what the style of truck should be, what the body should be like and so on.” \(^{100}\)

Over the following months various allegations against Hughes’ conduct came forward, prompting him to attempt to shift the blame to contractors who he felt had betrayed him. Before Russell returned to Ottawa in July, Hughes informed the Committee that chasses on the first order had actually been purchased from the Kelly-Springfield Co. because the RMCC had acquired the Canadian distribution rights the previous year, giving them a 25 percent discount. When asked why he had arbitrarily insisted on providing Russell and so many other war contractors with military titles, he told the House of Commons it was a disciplinary measure; to court martial contractors “if [he] found any sharp work going on.” Russell responded to Hughes’ thinly veiled threats by revealing that his order for the Special Land Transport Committee had actually cost $750,000, with Eaton’s $100,000 donation barely cushioning the immense cost. \(^{101}\)


\(^{101}\) The Globe (Toronto), July 8 1915: 7; and July 13 1915: 6. Hughes’ associate Owen Thomas revealed to the Committee that Russell had sold his first order for $3,500 each, which newspaper reports claimed was $700 above wholesale. Russell had sold his own cars at a 10 percent discount, see The Globe (Toronto), July 15 1915: 6. and War Contract Scandals as Investigated by the Public Accounts Committee, 27. Quoted from Hugh Durnford and Glenn Baechler. Cars of Canada, 313.
The outcome of the PAC was varied. While Russell and other manufacturers escaped relatively unscathed from the Committee’s verdict, its findings indicated the need for a substantial reform of wartime purchasing practices. Feeling pressure from the public and Liberals across the floor, Borden repudiated Hughes by forming the War Purchasing Commission and appointed the businessman and Conservative MP Sir Albert Kemp as Chairman to monitor and approve further expenses; a move which foreshadowed Hughes’ replacement as Minister of Militia the following year. The PAC had also provided a platform for Liberal politicians to voice their concerns with wartime policy, allowing accusations of middlemen and profiteering to enter into public discourse. Published by the Liberal Party, the War Contract Scandals as Investigated by the Public Accounts Committee was made widely available and dissected each purchase with intense scrutiny, exposing what they described as a “Tory Patronage System” whereby Conservative Committee members “worked hard to shield middlemen and the Government.”

Still resentful towards former party members who crossed the floor in 1911, the Liberal publication targeted Russell’s motor truck purchases for four pages, reciting Russell’s role as “vendor, purchaser, and inspector,” and with a future addition describing his salesman J.H. McQuarrie as “the protégé and political henchmen of Sir Sam Hughes.” Liberals argued for the importance of partisan debate to the effective prosecution of the

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102 Although beyond the foresight of the Committee, the ‘death machines’ were never deployed on the battle front. Upon arrival in Britain in November 1915, they were deemed impractical for service on trench terrain and were instead warehoused in Burford for two years. When the 282 soldiers of the Eaton Battery were deployed to the continent in March 1916, they were instead provided with motorcycles. The British War Office eventually decided the ‘Jeffrey-Russells’ were better suited to subduing colonial unrest, and in 1917, 22 were shipped to Ireland to aid in the British effort to suppress Republican insurrection. The remaining cars were sent on two ships to Calcutta to reinforce the Afghan border region, but with only one arriving. The other, containing Russell’s eight support vehicles, repair parts for the cars, and the Russell-Knight scout car, was sunk by a German U-boat mid-voyage. The blunder illustrated that despite what observers were presented with, the patriotic display of the vehicles on the home front bore little connection to their eventual usage, with Canadian war armaments going to unexpected places on the Imperial stage. See Aldona Sendzikas, Stanley Barracks, 96. and Jaroslav Petryshyn, Made up to a Standard, 119-122.

103 War Scandals of the Borden Government, 17.
war effort, asserting that Canadian interests could not be retained while contracted businessmen continued to operate unsupervised as both retailers and purchasers. In future encounters with Hughes, Russell’s future bids for munitions orders failed because of Hughes’s interference.

“To Get Busy and Scratch Gravel”: Munitions Contracts and the Shell Committee

The RMCC’s production of vehicles for the Canadian military had helped to stall the company’s financial decline. As combat on the Western Front bogged down into heavier and heavier artillery bombardments in an effort to break thorough entrenched fortifications, British shell orders in Canada increased dramatically, and Russell sought to acquire these profitable contract. After Britain, Canada was consistently the second largest manufacturer of munitions in the British Empire, producing roughly a third of all artillery munitions by the end of the war. As historian John Connor has suggested, the development of a munitions industry was replicated elsewhere only on smaller scales and of shorter duration. Compared with Canada’s production of over 24,000,000 artillery shells by 1917, India was given contracts for only 1,300,000 and Australia only 15,000. Yet shells had not featured heavily in Hughes’ preparation for the Canadian war effort. Military circles throughout the British world had anticipated an imperial effort based on high-mobility warfare, with only a few critics predicting a protracted engagement.

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Modern shells required highly precise mass production of several components, the shell body, fuse, and case for the propellant. The heavy initial investment required dissuaded smaller manufacturers from seeking contracts during the first two years of the war. When the Department of Militia received its first order for 20,000 shell bodies from the British War Office in late August 1914, Hughes formed the Shell Committee from seven metal manufacturers across Central Canada, four of whom were his close companions on the Militia Council of Canada. Hon. Colonel David Carnegie, an armaments expert trained at Woolwich Arsenal in Britain, was recruited as Ordnance Advisor for the Committee. The first order was entirely divided between just four of the Committee’s members, Chairman Alexander Bertram’s John Bertram & Sons Co. in Dundas, and representatives from Goldie and McCulloch Co. in Galt, the Canada Foundry Co. in Toronto, and Canada Rand Drill Co. in Sherbrooke.\(^\text{106}\) Other Canadian businesses began receiving contracts following a large order for 200,000 shell bodies in October. While the Committee had signed contracts with around 150 businesses by April 1915, it also quickly developed a reputation of unreliability among manufacturers. Characterized by laissez-faire, private initiatives, contracts were vaguely written, unprofessional, and consistently needed clarification months after being drawn up. When members of the Committee consulted Fredrick Nicholls of Canadian General Electric in February 1915, Nicholls told them that they could not

\(^{106}\) For information on Shell composition, see Michael Bliss, *A Canadian Millionaire*, 239. and Leslie Barnes, *Canada’s Guns: An Illustrated History of Artillery*, 76; The first shell casings orders can be found at LAC, R1141-0-X-E (RG33-61), Vol. 1, File 2, p. 3 and 4; The Militia Council reported annually to the British government on Canadian military expenditures and the activities of the Royal Military College in Kingston. See Jaroslav Petryshyn, *Made up to a Standard*, 132; See LAC, R1141-0-X-E (RG33-61), Vol. 1, File 2, Ex. 31, October 20 1914. for orders of shell bodies and projectile boxes by others on the Shell Committee.
expect businessmen “to engage in any further emergency work when we have to deal with unknown conditions,” who instead needed “a definite guarantee” of steady orders of reasonable quantities until the end of the war. Businessman Sir Joseph Flavelle publicly encouraged manufacturers to avoid the Department of Militia, much to Hughes’ anger, in favour of securing more profitable contracts directly from European Governments.107

While shell bodies and cartridges could feasibly be produced in any metal factory in Canada, fuses required expert knowledge, precision machinery, substantial capital, and a large workforce to be profitable, qualities only found in select high technology industries. Shell fuses had never been built in either Canada or the United States before the war, and only three factories were successfully producing shell fuses in Britain. At the Battle of Neuve-Chapelle in March 1915, imperial forces had expended more shells than throughout the entirety of the Boer War, prompting a reorganization of the British war administration. Most public criticism targeted Secretary of War Lord Herbert Kitchener, who, while predicting a long-term engagement in Europe, had underestimated the difficulties manufacturers might experience in the timely mass production of fuses. The panicked scramble for fuses motivated the War office to place an order for an order for 5,000,000 fuses in Canada. Over the summer of 1915, the Shell Crisis consumed British politics. Authority over munitions supply was soon stripped from Kitchener and given to Chairman David Lloyd George of the newly established Ministry of Munitions. But the War Office’s miscalculations in conducting munitions policy resulted in lasting damage to the British war effort. By the Battle of Loos in September 1915, there were still around 25,000,000 empty

107 Quoted from LAC, R1141-0-X-E (RG33-61), Vol. 1, File 2, Ex. 34-6, Nicholls to Carnegie; For descriptions of the Shell Committee, see Desmond Morton, A Military History of Canada, 133; For Flavelle, see Michael Bliss, A Canadian Millionaire, 236.
shell bodies lying useless on factory floors without fuses.\textsuperscript{108} Despite Hughes’ and Russell’s bitterness over each other’s testimony during the War Contracts Scandal, Russell sought to take advantage of the opportunity to restore financial profitability to the RMCC by reorganizing production solely for the production of munitions.

Russell had began retrofitting the Lozier factory at Toronto Junction for munitions production when he returned from Britain in December 1914. But when he approached Hughes in New York about the large fuse order in April at the height of their rivalry during the War Contracts Scandal, Hughes told him that if he wanted any part of the contract he needed to “to get busy and scratch gravel.”\textsuperscript{109} Russell and RMCC director Lloyd Harris met with members of the Shell Committee on several occasions over the next month, the two of them finally drafting a three page report tendering to produce 1,250,000 fuses for $3.50 a unit to be completed by March 1916, sourcing what experts were available, and arranging with a Philadelphia company to ship fuse components to cover any shortfall in capacity.\textsuperscript{110} In a decision which Russell later testified was “on account of pressure from higher ups,” the Shell Committee wrote Russell that they were deferring the RMCC’s contract for shell fuses until specifications from the War Office


\textsuperscript{110} Experts included Arthur Kirkby, the foreman toolmaker of Canadian General Electric who had worked on fuses in Birmingham from 1905 to 1909, as well as Fred Adams, Superintendent for the Lozier bicycle factory, who “had to do with automatic machine work similar to a considerable extent to that found on the fuse,” and lastly the guidance of J.W. Bain, Professor of Chemistry at the University of Toronto. See, LAC, R1141-0-X-E (RG33-61), Vol. 1, File 2, Ex. 73, Russell to Carnegie, May 25 1915.
arrived. When Russell wrote again in June, Carnegie responded by telling him the order was no longer available, offering in its place a miniscule sum of 50,000 18pr high explosive shells.111

The RMCC soon discovered that Hughes had been approached by Colonel John Allison, an old colleague. Allison had told Hughes of two American firms he had an interest in, the American Ammunition Co. and International Arms and Fuses Co., who were anxious to take on all 5,000,000 fuses for $4.00 per unit. Before the firms signed in June, Russell described his frustration with the Shell Committee as,

a distinct disappointment to us in view of what has taken place… After a very full and frank discussion on the question it was definitely arranged and promised that you would hold from 1,000,000 to 2,000,000 fuses in reserve… Mr. Harris spent the next week in the neighbourhood of Chicago acquiring further information on the subject, while the writer visited points like New York, New Britain, Waterbury and Bridgeport on the same errand… Col. Carnegie stated that the matter was very urgent, and that we should hurry as much as possible, as the matter could not be held open indefinitely. These were the actual words used… To our utter amazement we learned that despite all that had taken place the whole contract had been in the previous two or three days placed with two American concerns at a higher price than our tender… There is no question but that we can put ourselves in position to supply 2,000,000 of the No. 100 fuses, and to give you satisfaction with regard to them, but we would not like to go through the same experiences as we did last time of lining up material equipment, machine tool equipment and firms to associate with us.112

Carnegie returned to Hughes with Russell’s letter, only for Hughes to console him with a small contract of 700,000 shell fuses. Russell reluctantly agreed, but the order continued to be delayed until a final agreement was signed in August, a month later than that with the American firms.

Finally, Russell arranged to meet with Borden in October and provided him with a long history

111 Report of the Royal Commission on Shell Contracts, 24. Alexander Bertram wrote a similar letter to Melville White of Architectural Bronze & Iron Works in Toronto about fuses, saying “we do not think it would be advisable to recommend that any company be formed, such as is proposed to handle this matter.” See LAC, R1141-0-X-E (RG33-61), Vol. 1, File 4, Ex. 265.
112 LAC, R1141-0-X-E (RG33-61), Vol. 1, File 2, Ex. 95, Russell to Carnegie, June 7 1915.
of the RMCC’s encounters with Hughes and the Shell Committee. Perhaps unsurprisingly, Russell was just one of several manufacturers, military officials, and politicians who had expressed their frustrations to Borden about the conduct of his Minister of Militia and Defence.

“The Technicalities of Legal Requirement”: The Shell Scandal and Fall of the Shell Committee

As the Ministry of Munitions branched outwards towards reforming colonial munitions production, it became increasingly clear that the Shell Committee had no measures to penalize manufacturers if they failed to meet their contractual obligations. Shell rationing had crippled the British transition to protracted warfare. In August 1915, David Lloyd George rallied representatives from across the Empire to better coordinate Imperial munitions production. At the time, only around $5,500,000, or less than five percent, of Canada’s $170,000,000 worth of munitions and equipment orders had been fulfilled. Like their British counterparts, Canadian manufacturers had successfully produced an excess of shell bodies but had severe fuse delays, and for a plethora of other reasons. One explanation was the Shell Committee’s uneven investment in industry. As the War Office failed to provide adequate initial payments in Canada in order to allow plants to quickly convert to fuse production, the Committee could only offer limited regional coverage, mostly confined to Ontario and Québec, which meant only awarding contracts and advances to favoured firms. Whereas Allison’s American firms were given a $3,000,000 advance to fulfill necessary purchases, Russell was instead forced to acquire a loan of $262,500 through Flavelle’s Canadian Bank of Commerce in order to make necessary expansions. By November, the International Arms and Fuses Co. had written the Shell Committee about an array of challenges, including changing specifications, lacking tool

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production, and an urgent message to attain government gauges, each time causing further
delays. When Carnegie discovered that practically no progress had been made due to an ongoing
labour strike, the company used their flimsily written contract to their advantage, citing their
protection against unforeseen circumstances. For completed shells which reached the front,
defectiveness was as much a problem as delays. Roughly a third of shell fuses produced by the
RMCC in their first two orders were defective, with the War Office reporting that the company’s
fuses were being thrown out “by the bucket full.”¹¹⁴

Circumstances became so dire that the Ministry of Munitions dispatched British Liberal
politician David Thomas and Lionel Hitchens, chairman of the shipbuilder-turned-munitions
firm Cammel Laird and Co., to Canada, while also suspending all further munitions orders until a
solution could be found. In their report to Borden on November 25 1915, the members of the
Shell Committee were asked to resign. It was then replaced by the Imperial Munitions Board
(IMB), appointed by and directly responsible to the Ministry of Munitions. Stressing the
importance of business expertise and managerial oversight, Hitchens approached none other than
Sir Joseph Flavelle to be the IMB’s Chairman. Bertram and Carnegie were retained for their
wide experience and, to provide “some ‘nexus’ between the Imperial Government, the Canadian
Government and the purchasing agent,” Hughes continued on as Honourary President, though
ultimately with no genuine influence over Board decisions. While Flavelle received the approval

¹¹⁴ Quoted from Peter Edward Rider, The Imperial Munitions Board and Its Relationship to Government, Business,
and Labour, 1914-1920. (PhD diss., University of Toronto, 1974), 104; For fulfillment of munitions orders, see
Michael Bliss, A Canadian Millionaire, 245. and Graham Taylor and Peter Baskerville, A Concise History of
Business in Canada, 387; For advances, see LAC, R1141-0-X-E (RG33-61), Vol. 1, File 4, Ex. 270; And for
Munitions Supply Company of Western Australia,” 798-800. and Jaroslav Petryshyn, Made up to a Standard, 134.
of both Borden and Lloyd George, Hughes responded to his diminished position with rage, quickly intensifying their ongoing animosity.\textsuperscript{115}

When the first order for 2,000,000 time fuses arrived in early December 1915, Flavelle received three inquiries from companies offering tenders. The order was soon split between Russell and a manufacturer from Montréal, but not before receiving a bid from the R.W. Phillips Co. of Massachusetts, backed by Hughes and Allison, claiming the ability to produce the fuses at a fraction of the price. Flavelle first approached Borden on how to respond, before speaking to Hughes for a bitter two hours that evening. With some irony, Hughes accused Flavelle and Russell of being the real promoters at the IMB’s meeting the following day, awarding the contract solely based on their past friendship. While the Conservative administration was cautious to maintain some degree of continuity between the organizations and avoid arousing further partisan suspicions of negligence, as described by a later Liberal Party publication, “the atmosphere became surcharged with rumours of political favouritism and abnormally high profits. So much was this the case that rumour of the grossest graft and scandal were in circulation everywhere.”\textsuperscript{116} During the Meredith-Duff Commission between May and July 1916, Russell published articles indicting the Shell Committee with favouring American interests in an effort to disassociate himself from his former contractor, Hughes.

The earliest reports of political accusations against the Shell Committee came in January 1916. Liberal MPs Frank Carvell, a long-time opponent of Hughes, George Kyte, exposer of the Ross rifle scandal during the PAC a year earlier, and William Puglsey announced in the House of


Commons that they had privately investigated the Shell Committee’s dealings. As he had prior to launching the PAC, Borden managed to stave off further debate until an impassioned speech by Laurier in March demanding a Royal Commission be formed to investigate.

“We can pay for shells in money, but we have to pay for the lack of shells in blood; and I say that, owing to dereliction of duty on the part of the Shell Committee time had been lost and owing to that time so lost, battles have been lost, thousands of lives have been sacrificed, victories have not been carried to a final issue, the enemy has not been pursued as he retreated, and the War has thus been prolonged.”

The Meredith-Duff Commission conducted a detailed investigation of Shell Committee documents and interviews, releasing its final report in July. The Commission laid bare just how grave the situation had become. In an embarrassing letter dated May 13 1915, Hughes wrote to Borden that “the most ardent agents of the German Government could scarcely have been more successful in holding up the proper equipment of our forces, had they been in control.” A more concerning discovery was that Hughes had only ever been to two of the Shell Committee’s meetings. While he argued his absence at least assured he possessed only a “passing knowledge” of the Committee’s operations, another letter was soon revealed where Hughes had told the War Office he had studied each shell contract “with extreme caution and minute examination.” The Commission then turned its attention to the questionable legal status of the Committee, arguing that it was not within the Minister of Militia’s authority to form government committees. Now in his second major political scandal of the war, Hughes claimed that “military men, especially in wartime, must keep constantly in mind military necessities, rather than conformity to the technicalities of legal requirement.”

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118 War Scandals of the Borden Government, 5.
requirement,” Hughes provided a near damning testimony from the start of the Committee’s proceedings.

When Hughes and Allison stood before the Commission during the fuse inquiry in May, Russell slandered the former Shell Committee members by publishing articles in *Industrial Canada* and *The Globe*, and by doing so shifted blame for the Shell Scandal away from Canadian manufacturers and towards the Committee. In the article a “Feast for Bunch of Yankee Grafters”, the RMCC directors targeted Borden’s “hands-off” policy on Hughes’ affairs and the selection of American over Canadian contracts. Like in earlier publicity campaigns, the RMCC’s article drew on nationalistic sympathies and protection of industry, stating that “the indirect loss to Canada and to the Empire through the sacrifice of domestic to foreign enterprise is beyond computation.”

The findings of the Meredith-Duff Commission during the Shell Scandal added to the numerous reasons for Hughes’ already declining political career. In November 1916, Borden asked Hughes to resign as Minister of Militia following complaints from imperial officials, King George V, and members of the Conservative Party.

By redirecting responsibility for munitions delays and defects back on to the Shell Committee and Sam Hughes, Russell and other war contractors managed to avoid the brunt of political condemnation for Canada’s role in the Shell Crisis of 1915. However, the consequences of the Shell Scandal went far beyond Hughes’ fall from political grace. Literature published by the Liberal Party described Borden’s shaky two years of wartime military purchasing and

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120 For the RMCC’s exposé on ‘Yankee grafters,’ see *The Globe* (Toronto), April 14 1916: 1; for Allison and Hughes testifying before the Commission, see *The Globe* (Toronto), May 31 1916: 1. The Commission’s investigation of the American firms was equally troubling. Rather than individual factories, the two firms were discovered to be “mushroom companies” solely created to take on the contracts and composed of 28 subcontractors spread across the Northeastern United States, some as far apart as Boston and Philadelphia. Allison had also received a commission of $225,875 from the arrangement. For the Commission’s investigation into the American firms’ subcontractors, see LAC, R1141-0-X-E (RG33-61), Vol. 1, File 4, Ex. 175; Newspaper articles documented Allison and Hughes’ interviews in *The Globe* (Toronto), May 19 1916: 1; May 31 1916: 1; and June 7 1916: 11.
industrial policy as “a riot of extravagance, graft, profiteering and political maggotry such as Canada had never seen.”\textsuperscript{121} The Scandal also caused damage to Imperial relations, sparked the introduction of low level taxation on Canadian businesses to crackdown on profiteering, and legitimized the IMB’s munitions reforms to impose stricter managerial oversight while also embracing a more active role in combating wartime societal limitations on industrial production.\textsuperscript{122} Business progressives like Russell’s efforts to attain war contracts to recover their industry’s pre-war financial prosperity facilitated the conditions for reforming military purchasing.

\textbf{Conclusion}

After suffering from a debilitating recession in 1913, the outbreak of war presented an opportunity for Russell to put the RMCC’s financial capital back on track by redirecting its production to serve wartime demands. Russell leveraged his government contacts, strengthened during his role in the 1911 election, to acquire government and Imperial war contracts. Collaborating with Minister of Militia Sir Sam Hughes to sustain the RMCC’s finances, Russell lent his expertise to military purchasing and helped direct publicity techniques for wartime propaganda in exchange for vehicle and munitions orders. Following the War Contracts Scandal and the end of amicable relations between Russell and Hughes, Russell intensified public

\textsuperscript{121} War Scandals of the Borden Government, 4.

\textsuperscript{122} At the Scandal’s height, the British Government threatened to begin shifting its war orders to the United States if Canada failed to finance its munitions industry independently. Starting in June 1916, the Canadian Government was expected to send $25,000,000 to Britain per month to be funneled back to Canadian manufacturers through the Ministry of Munitions and the IMB. To compensate for the massive government deficit, Minister of Finance Sir Thomas White instituted the Business Profits Tax. Starting in May, war profits above 25 percent were subject to 75 percent taxation. However, munitions were purchased in bulk, meaning the tax was too low to apply to anyone but the most excessive profiteers, which led to the introduction of income tax the following year; Graham Taylor and Peter Baskerville, \textit{A Concise History of Business in Canada}. (Oxford: Oxford University Press, 1994), 390. and Michael Bliss, \textit{Northern Enterprise: Five Centuries of Canadian Business}. (Toronto: McClelland and Stewart, 1987), 250; Also known as the Auditor General, see Desmond Morton, \textit{A Military History of Canada}. (Edmonton: Hurtig Publishers, 1985), 160.
alertness to Hughes’ wartime military misspending by discrediting him in CMA publications and newspaper coverage. By publishing literature and giving interviews, which questioned the Minister’s political favouritism, Russell had contributed along with other business leaders, politicians, and imperial officials to pushing for major revisions of Canada’s munitions policy. The flood of deliveries which began in 1916 had actually been thanks to the Shell Committee, but the IMB and manufacturers like Russell cordially took the credit. However, the outcome of the PAC and Shell Scandal had made munitions policy a key government concern for the remainder of the war and intensified more than ever public scrutiny of manufacturers. Government officials were pressured to supply munitions by Imperial authorities, and later by a Canadian public anxious to provide support for loved ones battling overseas. Under the IMB, Russell and other business progressives made extensive reforms to their industries to combat wartime labour shortages and increase workplace productivity, as well as engaging in propaganda campaigns to ensure their future stake in attaining profitable war contracts and to keep public suspicions surrounding profits and work conditions at bay. While presented as industrial reforms, business progressives intended only to use these reforms to further their own financial interests, typically to the detriment of their workforces.

Chapter 3: The RMCC and the Imperial Munitions Board, 1916-1918

Introduction

Under the direction of the Imperial Munitions Board (IMB) formed in late 1915, Russell implemented a broad platform of reforms to tackle the impact of the First World War on the munitions industry, expand his companies’ production, and increase their financial strength. These reforms included the hiring of women in munitions production, application of some scientific management, and new inspection, surveillance, and disciplinary measures in the workplace. This examination of Russell’s factory operations under the direction of the IMB has been broken down into three sections. The first examines Russell’s response to the expansion of war orders and overhaul of munitions policy in 1916, which included the introduction of women into the workforce to help resolve labour shortages, new management oversight to simplify and expand production, and inspection procedures to reduce shell defect rates. In the second part, these reforms were furthered through the RMCC’s construction of a model shell fuse factory in 1917. Here, Russell adopted factory welfare measures to ease public concerns surrounding the protection of women’s safety and virtue in the workplace, and utilized his women workers in wartime propaganda to satisfy government demands and present a positive company image at a time the RMCC was dramatically profiting from its war orders. However, the entrance of women into the workforce and exhausting work conditions created by business progressives’ reforms, coupled with wartime profiteering and rapid inflation, caused two strikes at Russell’s factories in 1918 over wage inequality and workers’ reinstatement. Examined in the third part of this chapter, Russell was forced to concede to union demands under government pressure, despite the long-term consequences which accompanied the decision. Munitions reform provided
business progressives like Russell greater control over wartime industry and the lives of their workforces, allowing them to go to unprecedented, sometimes authoritarian, lengths to reconfigure the workplace for the sake of their financial interests.

“Business was Upon a Competitive Basis”: Labour Shortages, Inspection, and the Regulatory Regime under the IMB, 1916

Russell collaborated with the IMB’s extensive industrial reform program in exchange for larger munitions orders to expand production and increase the RMCC’s profit margins. With a now regular influx of munitions orders from the Ministry of Munitions for 1916, the IMB set about overhauling the uncompetitive purchasing practices, laissez-faire supervision of manufacturing, and loosely written contracts of the Shell Committee. The IMB’s key aims were to regulate production standards by establishing inspection and disciplinary measures in factories, to eliminate profiteering, to limit labour strife and ensure co-operation between workers and manufacturers, and to restore public faith in Canadian munitions production. Orders awarded in Central Canada were expanded considerably, and, on a lesser scale, were extended into other provinces. Within its first year the IMB had contracted industries in every province but Prince Edward Island, and had begun construction of six national factories to drive the development of Canada’s munitions capabilities. The Board adopted an inquiry-based approach for selecting manufacturers, giving importance to increasing competition, reducing cost, and the managerial oversight of manufacturers to ensure adherence contracts. During an

124 While a few small munitions manufacturers began production in Vancouver, Victoria, Winnipeg, and Nova Scotia beginning in 1916, these were typically smaller shops of around 100 workers or less. As suggested by Linda Kealey, this often meant fewer labour shortages, which reduced the necessity of hiring women in munitions. See Linda Kealey, Enlisting Women for the Cause: Women, Labour, and the Left in Canada, 1890-1920. (Toronto: University of Toronto Press, 1998), 156. and Desmond Morton, A Military History of Canada, 133.
address at the Canadian Club towards the end of the year, Flavelle clearly reiterated the potential consequences for failing to live up to wartime expectations:

    Every failure on the part of the Canadian workman to work as many hours as he is able to work, every failure on the part of the Canadian manufacturer to plan and lay out his work whereby he will deliver that which he has promised to deliver that which he has promised to deliver, is a crime to the state.  

An initial challenge was resolving the high rate of defective shell components cranked out by earlier manufacturers, some of whom had been identified using counterfeit inspection stamps and filling in pinholes with paint. The IMB’s solution was employing a large workforce of inspectors, which eventually reached over 4,000 staff. However, labour shortages became an obstacle to the Board’s program. Following Prime Minister Sir Robert Borden’s return from Britain in January 1916, he promised Canada would increase its military participation to 500,000 recruits.

    As suggested by historians Desmond Morton and Joan Sangster, unemployment following the recession of 1913 was as big a factor as patriotism in men’s decision to enlist. At a daily wage of $1.10, enlistment provided financial solutions for recent labour layoffs. Yet as the war progressed and volunteerism declined, Flavelle began to receive complaints from both manufacturers and labour organizations. These included the Toronto District Labour Council, who began reporting the use of intimidation tactics by war recruiters towards skilled and union labourers. Over the opening months of 1916, Mark Irish of the IMB’s department of labour

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126 For illegitimate manufacturing practices under the Shell Committee, see Desmond Morton, A Military History of Canada, 133.
127 Some even requested that soldiers be returned from overseas to retake their old positions. See Joan Sangster, “Mobilizing Women for War.” In Canada and the First World War: Essays in Honour of Robert Craig Brown. Edited by David Mackenzie, 157-193. (Toronto: University of Toronto Press, 2005), Ian Miller, Our Glory and Our Grief: Torontonians and the Great War. (Toronto: University of Toronto Press, 2002), 120. and Adam Crerar,
collaborated with the recently formed Women’s Emergency Corps to establish labour supply offices in major urban centres which recruited women seeking employment to provide munitions manufacturers with an ample supply of labour. A propaganda campaign was also launched by the IMB and R.B. Bennett of the National Service Commission Board to encourage women to enter the workforce of the munitions industries as a patriotic service. However, the campaign was met with general hostility by segments of Canadian society. To promote the IMB’s industrial objectives, Russell revised his production techniques and lent his marketing expertise to promote the temporary acceptance of wartime industrial reforms. Published by the RMCC in 1917 and written by Shaw Newton, one of the company’s chief inspectors, *The Second Line of Offence* was an 85-page volume containing over 200 photographs and a detailed account of the labour process at the company’s factories. Newton described opposition to women in industry in the following passage:

> Naturally there were those who had misgivings. Women, they argued, have neither the strength to run the machine nor the generations of precedent behind them to accustom them to the rigid discipline of factory routine. Women are used to coming and going as they please; household work, and even office work, have none of the rigid elements of factory labour. Woman labour would fail.  

Organized labour, discussed later in this chapter, perceived women’s entrance into munitions as a “dilution of labour” implemented by exploitative manufacturers hoping to weaken the existing structure of skilled labour by undercutting wages, disrupting the progress of union membership, and creating uncertainty surrounding women’s employment in the post-war period. Women’s reform groups heavily supported the temporary acceptance of women in munitions, but were

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seriously concerned about women’s wellbeing in industrial settings and called on manufacturers
to provide adequate health, safety, and moral protection. Smaller munitions businesses expressed
hesitance. In order to convince them that the potential financial benefits of women workers
justified the outlay for services and alterations, Flavelle encouraged his munitions contactors in
big business, like the RMCC, to implement a broad platform of reform, launching a patriotic
campaign to incentivize the use of women as a replacement workforce within the munitions
sector. Russell took up the challenge of munitions reform by expanding manufacture across four
recently purchased factories and introduced new factory measures to increase productivity. These
workplace strategies ensured his company’s continuation of contracts over the remaining years
of the war and allowed the RMCC to capitalize on the profit which accompanied them.

Russell was one of the earliest involved in the IMB’s campaign for women’s entry into
munitions, having suggested relocation of the RMCC’s munitions work to central Toronto in his
bid for 700,000 shell fuses starting with December 1915. Russell wrote,

> As we consider the question of an adequate supply of skilled labour and of
female labour, one of the necessities for the success of this work, we have an
option on a factory building… in the heart of the City of Toronto, where we
believe we are sure of being able to secure the labour required.

However, raising funds was proving difficult. At the annual meeting in October 1915, a loss of
around $140,388 was reported, with a total loss of $643,000 since the recession. The new Russell
Light-Six had been more cheaply produced and priced at only $1,750 with the aim of appealing
to the mass market, but sales had been so poor the price was slashed to $1,475 after only a

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129 The IMB’s campaign was also assisted by advisors, including Sir Henry Morgan, sent from the Ministry of Munitions who were performing a similar campaign in Britain. See David Carnegie, *The History of Munitions Supply in Canada, 1914-1918*. (Toronto: Longmans, Green and Company, 1925), 251-254. and David Bercuson, “Organized Labour and the Imperial Munitions Board.” *Industrial Relations* 28, no. 3 (1973): 602.

year.\textsuperscript{131} The RMCC’s only profitable ventures in 1915 were its CCM subsidiary, whose bicycle market had witnessed a resurgence, and its government contracts, which had made clearly evident that munitions were far more financially lucrative than armoured cars. The expense of sustaining both industries without further capital was too much to bear, leading Russell to sell his automobile division to American manufacturer John Willys at the end of 1915, but staying on as Vice-President of the new company.\textsuperscript{132} In exchange for the sale of the RMCC’s automotive division at the former Lozier factory at Toronto Junction, Willys offered Russell directors $1,000,000, which along with $2,000,000 of Willys’ own capital could then be reinvested into a Canadian Branch of Willys-Overland, giving the RMCC a third of the new company’s shares.

The relatively safe, though complicated, work of fuse manufacturing provided Russell the opportunity to develop model factories intended to showcase the advantages of adopting a female workforce. Russell purchased three of the company’s four munitions factories in early 1916, two producing fuses and the other producing shells. In order to maximize the plants’ workforce capabilities, fuse production was moved from the former Lozier factory to the Gillett (Plant 1) and Purman (Plant 4) buildings, two mid-rises in downtown Toronto. Male skilled labour continued to be employed to carry out the fuses’ first rough machining. But through a combination of simplifying complex production tasks, time-saving measures, and heavy

\textsuperscript{131} In contrast, the Ford Model T had dropped to a price of $650, and having now adopted the moving assembly line, were producing around 50,000 cars annually in Canada. Buick-McLaughlin had also utilized the moving assembly line to produce 7,000 of the popular Chevrolet 490s.

\textsuperscript{132} Willys had established Willys-Overland at his factory in Toledo, Ohio in 1907 and quickly built an automotive empire. By 1915, they become the second largest automotive manufacturer in North America and were seeking to manufacture in Canada to sell to Canadian and Imperial markets. The plan was backed at the shareholders meeting in December 1915. John Willys became President, Russell continued to provide his managerial expertise as Vice-President, and many of the directors of the RMCC were also transferred to the new company. See Hugh Durnford and Glenn Baechler, \textit{Cars of Canada}. (Toronto: McClelland and Stewart, 1973), 96. Richard White, \textit{Making Cars in Canada: A Brief History of the Canadian Automobile Industry, 1900-1980}. (Ottawa: Canada Science and Technology Museum, 2007), 27. Jaroslav Petryshyn, \textit{Made up to a Standard: Thomas Alexander Russell and the Russell Motor Car Company}. (Burnstown: General Store Publishing House, 2000), 95.
inspection procedures, the RMCC had managed to eliminate most hand operations and deskilled much of the fuse manufacturing process. This divided the vast majority of the workforce between unskilled operators, who performed repetitiously on machinery, and inspectors, who monitored measuring standards. Describing the use of female inspectors, Shaw Newton wrote how these “inspectresses” ensured fuse quality while maintaining operators’ steady pace of production:

No secret service system was ever so thorough, so persistent, so all pervading as the corps of inspectors whose members guard the exits from every department that no part go through without their knowledge, and who are to be found at your very elbow ready to pass judgment on the work you have just set down.

Operators came from working class backgrounds and composed roughly two thirds of the women employed by Russell’s factories. Some had previous work experience, leaving employment in the garment industry or as domestic workers in search of better opportunities. Others had been housewives who were struggling with rising inflation after their partners had gone overseas, driving them into munitions factories to support their families. Inspectors, who composed the remaining third, came from middle class backgrounds and were typically either married to urban professionals, had previous experience in clerical positions, or had some form of college level education. While inspectors acted as a surveilling force on the factory floor, male superintendents continued to oversee the entirety of shell operations.

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133 Both the Gillett and Purman buildings have survived until today. The first is located at the intersection of King and Duncan Streets, and the other at 263 Adelaide St W. See Shaw Newton, *The Second Line of Offence*, 7; For the Women’s Emergency Corps, see LAC, R1449-0-5-E (MG30-A16), Vol. 5, File 47, List of Canadian Munitions Manufacturers, 1916 & 1918.

134 Upon publication, *The Second Line of Offence* was shipped to the Ministry of Munitions and Sir Joseph Flavelle, who then circulated it among other Canadian manufacturers to use as an example of ideal munitions operations. See Shaw Newton, *The Second Line of Offence*, 51.

Unlike fuse production, the labour process for manufacturing shells remained remarkably similar to when they were produced at the former Lozier factory in Toronto Junction. Shell production was relocated to Plant 2 in Toronto’s west end, in order to keep explosive production away from the city centre. Skilled labour continued to be central to the manufacturing process. As women were restricted from entering explosive factories until the final year of the war, the company instead transferred around 200 millwrights, toolmakers, and machinists from the former factory along with new machinery to Plant 2 in February 1916. Over the following year, these experienced Russell employees proceeded to train some 700 skilled labourers to meet the plant’s total capacity. In contrast to the RMCC’s fuse plants, Newton described how “quality and quantity of work turned out depends absolutely upon the skill of the operator.” Some time-saving measures, like the installation of central rollers to move shells between lathes, or surveillance by superintendents who now regularly viewed manufacturing from an observation floor directly above workers’ heads, were incorporated into the factory’s design. As trench warfare intensified, the company received an order for 135,000 9.2 high explosive shells, the heaviest artillery ammunition in the Canadian arsenal. Raw forgings produced at the Stelco steelyard were shipped to Toronto and entered the factory on small electric trucks. The nose was then drilled, shell cut to length, turned and bored before being inspected by the skilled labourer and placed in large ovens for heat-treating. A copper band and base plug were attached, before some final finishing. Lastly, shells were examined by male government inspectors, before being shipped to the British Munitions Supply Co. in Verdun, Québec, an IMB national factory where fuses were loaded for shipping.

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136 The location of Plant 2 was on the corner of King and Dufferin Streets.
Through the purchase of new facilities, the entry of women operators into the munitions industry, and the adoption of government and company inspectors to prevent defected shells being shipped overseas, the RMCC had made a profit of $499,000 by the end of 1916. In September, the RMCC’s three munitions plants had a total workforce of 1,580, roughly half of them women. Individual inspections were performed in each department, followed by a final round of inspection by company and government inspectors. As Newton remarked, “production has been doubled and more than doubled. And in nearly all cases, where the character of the work was not incompatible with her strength, the woman has done as well, where she has not done better, than the man she replaced.”

Russell and fellow munition manufacturers with close ties to the IMB had successfully implemented a series of industrial reforms to expand factory production, increase company profits, and restore some degree of public confidence in Canadian munitions supply.

“Woman Runs a Lathe the Way She Knits a Sock”: Gender Ideology, Welfare Reform, and Publicizing the Model Factory, January to June 1917

Russell’s success in purchasing new munitions plants, implementing workplace inspection reforms, and returning the business to financial stability in 1916 were modest achievements when compared with the experimental reforms implemented by Russell at the company’s newly built Plant 3 the following year. The Ministry of Munitions acquisitions process continued to build momentum, and with an upsurge of orders to Canada towards the end of 1916, Flavelle optimistically claimed that 95 percent of the munitions workforce could

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potentially be composed of women. In September, Russell received a contract from the IMB for a huge order of the new 2,500,000 No. 101 graze fuses as part of the larger effort to expand the Canadian munitions industry.\footnote{Ian Miller, \textit{Our Glory and Our Grief}, 134; As the oldest manufacturer in the Canadian fuse business, Russell was also asked to become Director of Fuses for the IMB’s production department when Flavelle returned from Britain the following month, and by Spring 1917 had arranged forty contractors to produce small fuse components. See David Carnegie, \textit{The History of Munitions Supply in Canada}, 144-7.} Whereas time fuses consisted of 240 parts, graze fuses were made up of only 41, which helped to streamline the labour required for each fuse. However, as Newton explained, “In 1915 the securing of a factory was a minor obstacle. In 1916, it was well-nigh impossible.”\footnote{Shaw Newton, \textit{The Second Line of Offence}, 6. Plants 1 and 4 were previously contracted for No. 100 graze fuses, which detonated on impact, and No. 80 time fuses, which allowed for timed delay upon firing. The No. 101 graze fuse was designed to resolve the explosion of shells pre-emptively on barbwire which persisted in earlier models.} The RMCC quickly set about building their largest factory yet to produce the new shipment of fuses. With a total capacity for 3,000 workers and taking only 90 days to complete, Plant 3 was a state of the art facility only a few blocks away from Russell’s shell plant in Toronto’s west end. Operating 24 hours per day, the workforce grew at a rapid pace and by June 1917, company employment peaked at 5900 workers between the four factories. With just over half of them women, Russell was now employing around a third of all women munitions workers in Ontario, and an eleventh of all those employed in Canada.\footnote{This is based on the ‘official’ estimate of 35,000 women entering into munitions during the First World War. See \textit{The Tariff: Why Canada Needs It}. Toronto: Canadian Manufacturers Association (CMA), 1921. and David Carnegie, \textit{The History of Munitions Supply in Canada}, 144-147; 30,000 is estimated in Director of Public Information, \textit{Canada’s War Effort, 1914-1918}. Ottawa: King’s Printer, 1918; Both these estimates have come under scrutiny in more recent years, with newer evaluations as high as 40,000 and as low 11,000. For the former, see Desmond Morton, \textit{A Military History of Canada}; For the Latter, see Kori Street, “Patriotic not Permanent.” In \textit{A Sisterhood of Suffering and Service}. and Joan Sangster, “Mobilizing Women for War,” In \textit{Canada and the First World War}.}

The same time-saving practices introduced at the RMCC’s other munition plants were applied at Plant 3. Male workers were still employed for initial rough machining, but beyond these few exceptions the factory employed near exclusively women. The plant was described as,
a site to delight the eye of every factory man. The huge, square building is crowded from end to end with serried rows of busy machinery and hundreds of busy girls; and the whole work progressing with a harmony of action that only the highest efficiency and the finest esprit de corps can produce.\textsuperscript{142}

Russell strove for “enlightened conditions” on the factory floor by implementing welfare policies to protect women from perceived threats from union labour and foreign immigrants. The rhetoric behind the RMCC’s use of women munitions workers during wartime public events and print media was influenced by maternal-feminism, which reinforced rather than disrupted traditional gender stereotypes. Nevertheless, the IMB’s munitions campaign reached new heights in the first half of 1917, promoting both the RMCC and the munitions campaign more generally.\textsuperscript{143}

Russell and other Canadian manufacturers took a paternalistic approach to the safety of women workers which focused on providing new welfare services, while also introducing methods of surveillance and publicizing the women for use in company and government propaganda. New facilities at the RMCC’s Plant 3 included restrooms, drinking fountains, and first aid offices. A lunchroom was also installed under a joint initiative between the IMB and YWCA. As explained in \textit{The Second Line of Offence}, the company insisted that these facilities provided women with a comfortable work environment, ultimately providing greater benefit to the employer by permitting a more efficient and productive workforce:

> It is the company's theory, and facts have proved it to be true, that factory efficiency varies directly with not only the physical, but the mental condition of those who are doing the work. And that is why any employee may go and eat when she gets hungry or get rest and recreation when she is tired. Neither a hungry person nor a tired person is an efficient worker. A ten minute rest when you are fagged; rolls and coffee when you are thinking more of feeding yourself

\textsuperscript{142} Shaw Newton, \textit{The Second Line of Offence}, 6.
Under the advocacy of the Ministry of Munitions, munitions manufacturers were encouraged to employ an array of new positions to protect women labourers, including matrons, welfare supervisors, and nurses. With around 30 employed at the RMCC’s Plant 3, matrons were responsible for the women’s immediate wellbeing, and were positioned in restrooms, the lunchroom, and a few to pace down the rows of machines. As one IMB pamphlet explained, matrons were “almost indispensable as a means of adjusting the many small irritations that are magnified in a woman’s mind by neglect or inability to make them known to one of her own sex.” In contrast to matrons, welfare supervisors safeguarded the long-term stability and moral fortitude of women in the workplace. As described by Kori Street, welfare supervisors ensured that women were properly attired in their uniforms, monitored food quality, and investigated women’s living quarters, forms of transit, and any irregularities on the factory floor. They also determined which women were impoverished enough to receive financial support from the Canadian Patriotic Fund. For health services, nurses remained on site, and doctors made routine trips to the plant. While providing some welfare benefits to women munitions workers, the adoption of methods of surveillance restricted any liberties women received by entering the munitions industry.

The combination of welfare and surveillance reforms also provided manufacturers like Russell with substantial authority over the public depiction of women in newspapers, at public events, and in munitions literature. The RMCC’s contributions to the broader publicity campaign

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had wider resonance thanks to the activities of wartime censorship, which hindered the formation of an open opposition against the IMB. The Board’s Mark Irish requested that Chief Censor Ernest Chambers take “special caution” to prevent the spread of negative news stories about women workers being harassed in factory districts, on streetcars, or bearing insufferable financial conditions due to rising inflation. The middle class attitudes of big business pamphleteering construed women’s services in munitions through the language of patriotic duty, service, and sacrifice. Women were portrayed as model workers capable of enduring any hardships put against them. Rather than because of financial necessity, the RMCC claimed women’s efficiency was instead the result of a natural aptitude for repetition to become “as mechanical as the machine itself” while undergoing only “a minimum of mental strain.” Commentators drew parallels between munitions work and domestic labour, alluding to everyday activities such as knitting and baking. While this depiction of tireless women workers became popular among middle class audiences, and indicative of the welfare campaign’s success, they scarcely reflected the reality of overworked conditions female operators were forced to endure.

_The Second Line of Offence_ offered multiple instances where women were expected to take on an abnormal level of emotional resiliency. Three examples below have been carefully selected, the first of which comes from the close of the volume’s introduction which summarized the weight of tremendous responsibility the RMCC hung gloomily over their women workers’ heads:

A fuse, if it is properly made, may be the means of killing anywhere from one to one hundred Germans. The fuse that fails to work, and the fuse that does not get there, may mean, on the other hand, the deaths of as many gallant Canadians, and amongst those Canadians are brothers, fathers, sweethearts, friends. The girl

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who does not do her bit and do it a little better, and a little harder than she can, knows down in her heart that she is potentially a murderer.\footnote{Shaw Newton, \textit{The Second Line of Offence}, 11, as with the following quote.} 

The company’s wartime literature served as a constant reminder to their workforce of the consequences of failing to maintain full fuse productivity. Women who failed to “do her bit and do it a little better” were held personally responsible for the deaths of fallen loved ones. In another scenario, the text also shunned more realistic responses of loss and grief in favour of jingoistic portrayals of munitions workers’ wartime enthusiasm. One female operator described her contribution to the front when asked about the loss of her brother, who had died in a trench assault in 1915:

I was talking to one of the girls in the factory about this one afternoon just following the late July offensive in Flanders. “They've just taken Sanctuary Wood,” she said, “you remember the fighting there two years ago. They had used up their ammunition allowance and the Germans drove them out. My brother was killed in that fight. But there's plenty of ammunition now, and I am helping to make it.

Testimonials publicized by the company were intended to valorize the exploits of women workers, who despite tremendous financial and mental strain, continued to be among the most capable and enthusiastic responders to wartime conditions. In the following final example from a section titled “A Veteran Munitions Worker,” an older woman photographed beside her lathe was described as having faced similar dangers as Canadians fighting on the battlefield. The volume told readers that the woman had been working in munitions factories in Britain since she was only thirteen, and that now that she had come to Canada to share her expertise, she had become “one of the steadiest operators in munitions manufacturing.” Newton writes that,

She, too, has passed through the ‘danger zone’ in her country's cause, having experienced the shock of two explosions and also having been twice attacked by
gunpowder poisoning. Still she ‘carries on,’ and daily with heart and eye and hand she labours to aid our men in the mighty task that called them overseas.\textsuperscript{149}

In each case, the company’s rhetoric served to shape the image of women in munitions. With a rigorous system of censorship in place, news of opposition from labour organizations and returning veterans remained at the margins of middle class society.

Along with industrial reforms implemented within the factory, the munitions campaign also harnessed women munitions workers’ participation through wartime public events and print media, which included the Canadian National Exhibition (CNE), the adoption of munitions medal ceremonies, and War Savings Certificates and Victory Loan subscriptions. Utilizing labour in patriotic events offered a cheap and effective form of publicity to restore munitions companies’ reputations. Since exhibiting his armoured cars at the CNE the previous year, Russell began to regularly integrate women from his workforce into the RMCC’s CNE activities. An article published in \textit{The Globe} titled “Exhibition helping to solve the problem of labour scarcity” described how Russell had situated some of his female operators throughout the grounds who provided explanations on the “intricacies” of shell fuses to exhibition crowds. Women were also made a major attraction of the company’s parade floats, and on Women’s Day in 1918, Russell transported munitions machinery to the grounds for on-site demonstrations. While aiming to promote the success of his own industry, Russell’s annual contributions to the CNE were rewarded with his successful nomination to become the Exhibition’s President by directors the same year.\textsuperscript{150}

\textsuperscript{149} Shaw Newton, \textit{The Second Line of Offence}, 32.
The RMCC and other munitions manufacturers also petitioned the IMB for workplace changes that might improve factory productivity. One successful campaign being the IMB’s approval of awarding of munitioneer medals to workers which manufacturers argued would help resolve issues of employee retention in the workplace. Finally implemented in 1917, the medals were awarded to factory workers who had been employed for at least six months. The ceremonies were intended to boost the public image of the company. While munitions typically paid higher wages to working women than other industries, the accompanying workload intensity meant that some left the industry not long after arriving. But when first implemented, the medals program was met with internal challenges from Mark Irish of the Board’s department of labour, who questioned whether it was fair to award munitioneer medals to women workers when not even all soldiers received them. Irish also opposed the medals on monetary grounds, believing that the $2 which the medals cost to produce could be better put to use by going directly towards women’s wages. However, proponents of awards for munitions workers believed that the program would incentivise the pace of production, enhance workers’ sense of purpose, and recognize their wartime accomplishments. Medal ceremonies were attended by awardees, managers, supervisors, and news presence. In one ceremony at the RMCC’s Plant 2 immediately following the war, Russell and Supervisor Fred Adams awarded medals to over 180 women before making congratulatory speeches. New bars were added for every six months of service, with some RMCC employees boasting up to four bars.151 By retaining valuable, trained workers, the medal program effectively demonstrated the importance business progressives like Russell placed on industrial initiatives which lifted the company’s financial standing.

Russell also integrated patriotic subscription campaigns into the monthly routine of his four munitions plants. Since financing had been transferred from the Ministry of Munitions to the Canadian Department of Finance in June 1916, Sir Thomas White had struggled against continuing deficits and relied on a combination of war taxes and war bond subscriptions to fund Canadian munitions orders. War subscription drives hosted by women’s volunteer organizations became frequent, asking for private donations for the war effort. As major newspapers contrasted and ranked companies’ donations, the introduction of subscription drives into industry provided manufacturers with the opportunity to dispel negative allegations of profiteering while also building their reputations.  

Yet war subscription campaigns also encouraged working women to learn fiscal responsibility. Marketed exclusively to working women, Russell and other manufacturers hoped War Savings Certificates would soften some of the economic adversities which were anticipated to follow in the post-war period. Newton wrote on the RMCC’s munitions factories that there were “a large number of workers whose patriotism, combined with far-sighted common sense, has been the means of their investing hundreds of dollars in the loan.” Subscription drives were further promoted by creating competition and incentives on the factory floor, as described in the following:

In order to stimulate and maintain an active interest in the certificates, the factories have organized themselves into teams – each team representing a floor. A trophy is awarded at the end of each month and stays in the possession of the floor with the highest amount invested until that record is beaten by some other floor.

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152 The Globe (Toronto), October 31 1918: 1; and December 2 1918: 8.
153 Shaw Newton, The Second Line of Offence, 78. and Desmond Morton, A Military History of Canada, 160; A list of voluntary war organizations like the CPF can be found in, Director of Public Information, Canada’s War Effort, 1914-1918.
An alternative to War Savings Certificates were Victory Loans, which had no contribution limits and specifically targeted the company’s middle class workforce and managerial staff. Within the first week of sales, 500 RMCC staff had invested $80,000 in Victory Loans, and by 1918, the company had subscribed over $1,000,000. While White’s financial initiatives were largely effective, eventually reaching $1,700,000,000 in subscriptions, Canada’s debt continued to rise as the country’s finances struggled against the rising costs of its munitions expenditures.155

In the RMCC’s efforts to reduce labour scarcity, the company pushed the IMB to introduce badges on uniforms to more easily identify them as essentials on the home front. The initiative became a priority following complaints from inspectors and unions that recruiting officers were employing aggressive enlistment tactics that were harassing male munitions workers on a daily basis. As Chief Inspector A.T. Ogilvie told Flavelle in December 1915, munitions workers and inspectors were “being accosted as ‘slackers’ and their position generally being made uncomfortable.” Ultimately no action was taken, however manufacturers persisted in writing to the IMB and drove support for the issue through the Canadian Manufacturers Association (CMA). The RMCC’s President Lloyd Harris wrote Flavelle in February 1916 that the use of badges “would assist us very materially in keeping our staff together and getting out our production faster. We would undertake to have these badges made, but before taking any action, think we should have some authority from you.”156 After continued complaints by manufacturers, Flavelle finally approved badges to be worn on the shoulder after designs were

137 LAC, R1449-0-5-E (MG30-A16), Vol. 1, File 1, Badges 1915-1919, Ogilvie to Flavelle December 1915; and Harris to Flavelle, February 21 1916; One firm, the Brandon Machine and Implement Work of Manitoba contacted Flavelle in February 1916 complaining that “It is very annoying to be stopped continually by recruiting officers and have to give the same reason for their not enlisting over and over again.” See LAC, R1449-0-5-E (MG30-A16), Vol. 1, File 1, Brandon Machine Works to Flavelle, February 19 1916.
presented to him by Staff Captain H. Leroy of the Ministry of Munitions. Leroy reassured Flavelle that badges worn by women had already been implemented in Britain and were thought to be an effective tool of propaganda. By romanticizing the profession, manufacturers believed they were better able to recruit women workers into the munitions industry. He stated that “the women once they got them wore them everywhere they went, and it increased the number of workers many fold.” However, by the time Flavelle had finally reached a verdict, several manufacturers had already defied the Board by issuing badges to workers through private contractors, months before they had actually permitted it. Russell’s badges took the form of personalized company armlets which identified workers with the RMCC to evoke workers’ company loyalty and reduce the aggressive tactics of Canadian war recruiters.

The inner circle of business progressives in munitions manufacture espoused female workforces as a cure-all solution to the problem of labour scarcity caused by mass deployment overseas. Munitions factories in major centres were therefore required to be extensively well-managed in order to deal with conflicts surrounding enlistment. As the urban landscape descended into inflation-driven wartime hysteria, Russell and the directors of the RMCC publicized their efforts to maintain efficient factory production against the ongoing adversity of wartime conditions. Welfare reforms adopted by the RMCC emphasized the protection of women from the hazards of the industry, garnering recognition for women as an effective wartime replacement of male labour. By the summer of 1917, the company’s workforce between its four factories had reached a height of 6,500, with around two thirds of them women.

Munitions manufacturers under the direction of the IMB continued to face several challenges in

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enacting industrial reform, but by making an extensive contribution to the temporary acceptance
of women in the workplace, Russell and other Canadian manufacturers under the direction of the
IMB had achieved substantial success in restoring public and international confidence in
Canadian munitions supply. Yet, the experimental measures they employed to do so were
typically at the expense of overworking their workforces.

“Picketed by Strikers and Guarded by Police”: Organized Labour, Inflation, and Societal
Fatigue, July 1917-1918

Despite early challenges faced by the IMB in implementing a successful munitions
program, by mid-1917 munitions profits were at their peak and the industry was successfully
making shell deliveries on schedule. However, a combination of long hours at low wages, high-
stress labour conditions, and manufacturers’ profiteering while workers suffered rationing and
shortages were fueling union growth. A year earlier, Flavelle had refused to enact
recommendations made by the Royal Commission on Shell Contracts, formed after strikes in
Hamilton and Toronto in February 1916, which called for the insertion of the nine-hour day and
fair wage clauses into munitions contracts. But union frustrations worsened in July 1917, after a
government investigation incorrectly concluded that Flavelle’s meat company, the William
Davies Co., had made $5,000,000 profit in 1917 alone.159 While actually only making
$1,000,000, the Bacon Scandal seriously jeopardized Flavelle’s political position, outraged an
already agitated union movement, and brought into question the profits of the munitions industry
as a whole. Having made $628,581 profit in 1917, and slightly more the following year, the
RMCC had comparable profits to other major war profiteers. Russell had been willing to tolerate

the growth of the union movement at his factories, so long as there were no interruptions to wartime production. When two strikes erupted in the summer of 1918 over wage equality, the formation of a women’s union, and worker reinstatement, Russell conceded to government pressure to ensure the company’s reputation, prevent further work stoppages, and return to his companies’ period of peak profit.

The Bacon Scandal of July 1917 obliterated the political and business reputation of Sir Joseph Flavelle, who just a month earlier had received his baronetcy for his outstanding service to the Empire for taking personal charge of delivering munitions orders as Chairman of the IMB. A parliamentary report conducted by Francis O’Connor of the Department of Justice and released by Thomas Crothers concluded that Flavelle had received a $5,000,000 profit on his William Davies Co. pork products over the previous year. The findings of the report were later disproven; the Henderson Royal Commission which investigated Flavelle’s company concluded in November that Flavelle had only made $1,000,000, having accrued “a great deal of money out of a small return upon a big turnover.” Flavelle was cleared of any misconduct, his company’s war sales of 5.3 percent in 1916 and 3.9 percent in 1917 being well below the 25 percent war tax enacted by the government. Nonetheless, Flavelle was still making peacetime-level profits when such a level of financial excess during wartime was no longer tolerable. Societal backlash was immediate. He was lambasted in both conservative and liberal newspapers, who dubbed him “the baconet” and “his lardship.” One journalist, H.H. Gadsby, paid by Liberal Party described him in Saturday Night magazine as “pious Sir Joseph, who deplores everybody’s profits but his own… associated with hogs so long he has caught some of their manners… long known as one who had all his feet in the trough at once… him and his Toronto group of looters.” By the Henderson

160 Michael Bliss, A Canadian Millionaire, 357.
report’s release, Conservative MPs were demanding Flavelle’s resignation. Borden resisted however, though Flavelle was still forced to distance himself from the administration for the remainder of the war so as to prevent damaging the government’s national and imperial reputations further.

The Bacon Scandal did not bode well for Canada’s stake in the Empire’s dilapidated financial state either. By September 1917, Britain was on the verge of bankruptcy and Canada owed over $400,000,000 to the United States for raw material and machinery purchases throughout the war. In light of Flavelle’s unpopularity and the country’s debt crisis, the Ministry of Munitions decided to reallocate orders for large shells and fuses from Canada to Britain. To offset some of the national debt, Sir Thomas White of the Department of Finance restricted the Board’s annual expenditure to the more manageable figure of $25,000,000. The ensuing layoffs were anticipated to be absorbed by the enactment of conscription, which Borden intended to ratify following his re-election in December. Volunteer enlistment had nearly completely dried up by the beginning of 1917. In September, the Conservative government had fashioned the Wartime Elections Act, which coupled with the Military Voters Act to ensure the future electorate’s loyalty to conscription. The Acts allowed for Canadian soldiers to cast their votes

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162 Michael Bliss, *A Canadian Millionaire*, 364. and Graham Taylor and Peter Baskerville, *A Concise History of Business in Canada*, 390; To recompense Canada’s debt with the United States, Flavelle selected the RMCC’s President Lloyd Harris to become Commissioner of the Canadian War Mission in Washington. Appointed in January 1918, the mission was Canada’s first bilateral relationship, working closely alongside the British War Mission and British Embassy, to create a “more direct, less casual, less transient arrangement” when discussing business and commerce, rather than diplomacy. Following the United States entrance into the war in April 1917, Flavelle offered a seven percent reduction on American armament orders in Canada, with Harris’ primary task to lobby and secure as many contracts as possible. In exchange for his early work in diversifying Canada’s munitions exports, the RMCC received a contract for anti-aircraft gun mounts and established a factory in Buffalo which remained open until 1920. See Shaw Newton, *The Second Line of Offence*, 82. and LAC. R1449-0-5-E (MG30-A16), Vol. 47, File 9, Correspondence, T.A. Russell, 1917-1920, October 22 1917 and November 6 1917.
from the trenches, enfranchised the nearest female relative of each soldier, and disenfranchised conscientious objectors and ‘enemy aliens.’ Borden also announced the formation of the Union Government, as twelve pro-conscription Liberal MPs crossed the floor of the House of Commons, and in the election two months later, the Union Government won a landslide victory.\textsuperscript{163}

Borden’s conscription victory had an immediate effect on Canada’s munitions industry. Mark Irish anticipated that conscription could cause an exodus of skilled labour from the Canadian factories, and in a letter from January 1918, he asked Flavelle to direct manufacturers in releasing men from industry wherever possible, which he believed would better acclimatize them to their new situation. Restrictions placed on women working night-shifts and entering explosive factories were rescinded. As the RMCC’s fuse contracts came to completion, the company’s head office was relocated to Plant 2, which had just received a new contract for 9.2 inch shells to maintain operations through to the end of the war. Several of the best trained women workers were transferred to work on explosive shells from Plants 1 and 4, which were then closed in July.\textsuperscript{164} However, trade unions were in uproar that conscription was taking away union men against their will. Labour unions argued that women had been permitted to enter the last stronghold of the skilled male workforce, explosives, which only solidified their belief that munitions manufacturers like Russell were using the exceptional powers granted to them in wartime industry to eliminate the union movement.

Throughout the war, organized labour had been among the munitions sector’s harshest critics. When munitions had been under the administration of the Shell Committee, the Trades and Labour Congress of Canada had agreed to postpone future strike activity for the duration of the war. But following strikes in Hamilton in February 1916, where some industries had been paying men as little as 20 cents per hour, members of the recently appointed IMB were quick to become apprehensive. As Flavelle told one Toronto company settling labour grievances, “it is a matter of great importance that strike fever does not develop in a centre like Toronto.”¹⁶⁵ Labour organizations’ greatest frustration was the removal of the fair-wages clause from the IMB’s munitions contracts, without which unions could no longer defend industrial wage standards. While first adopted in the Shell Committee’s contracts, no measures were ever taken to enforce pay equality in the munitions industry. The clause’s absence allowed manufacturers to easily hire women at lower wages. Flavelle justified the clause’s removal from IMB contracts by stating that as an Imperial organization the Board was not required to conform to Canadian law.

The Royal Commission on Shell Contracts, formed in response to the strikes of February 1916, made several recommendations to develop better working conditions and reduce labour unrest in munitions factories, which included setting a minimum wage of 37 cents per hour, a nine-hour day, and the reinsertion of the fair-wage clause. However, Flavelle and the IMB ignored the Commission’s findings. Flavelle later stated that it was not the responsibility of the Board to interfere with manufacturers’ finances, instead arguing that the Industrial Dispute Investigation Act (IDIA), which placed labour representatives and employers before a government conciliator before any strike preparations could begin, would be sufficient in quelling future labour unrest. As IDIA conciliators were unable to force a settlement, and

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regularly favoured manufacturers, the Canadian Trades and Labour Congress were right to condemn the IDIA’s measures as nothing but longwinded government procedures aimed to disable union authority. As the Congress continued to agitate for reform over the following years, both the British and Canadian Governments rebutted union complaints by agreeing with Flavelle that inserting the fair wage clause into Canadian munitions contracts might complicate smoothly running war operations, adding that it was unfair to force employers to adopt new conditions in their war contracts after they had already reached an agreement. Yet as tensions worsened and Flavelle’s political support declined, opinions swayed towards supporting the clause if it meant curbing unions’ momentum.166

Union membership in Canada swelled from 166,163 to 378,047 between 1914 and 1918 due to widespread labour shortages, which had made it easier for union labour to expand across the skilled workforce. Yet the rise of inflation, shortages, and rationing on the Canadian home front had equal weight on a worker’s decision to unionize. In 1919, the Department of Labour created a list of price fluctuations of twenty-six household staples over the previous two decades. Over the four years of the war period, the average price of these goods had risen from $7.50 to a staggering $13.65 by November 1918. Skilled male workers’ wages at the RMCC had doubled from about 30 cents per hour to around 55 and 60 cents for machinists and toolmakers.167 While these positions’ wages had climbed to match inflation, female operators were only making around 15 cents per hour, and female inspectors’ wages had actually dropped from 25 cents to 20


cents per hour in March 1917. Whereas middle class female inspectors, who for the most part had some other means of financial support, could afford to work six hour shifts, working class operators were under the strain of working twelve hour shifts six days per week. Reports of women collapsing while standing on streetcars following the workday were not uncommon, with one women operator remarking in the *Toronto Star* “They are killing us off as fast as they are killing the men at the trenches.” The overburdening conditions placed on working women and the threat that their low wages might undermine the skilled workforce prompted the International Association of Machinists (IAM) to hold a referendum among members in favour of organizing women munitions workers into separate unions to equalize wages. The resolution passed, with the Ontario machinists agreeing to back the push for female unions.

Russell’s factories experienced two strikes over the summer of 1918 which risked delaying his companies’ production schedules. In June, roughly half the workforce of Willys-Overland factory in Toronto Junction, also engaged in war work, went on strike. The factory’s workforce had remained steady at 1,500 throughout the war. The strike of 700 machinists and toolmakers demanding workers’ reinstatement and union rates for women working in the factory lasted around two weeks. The *Toronto Star* reported the factory was “picketed by strikers and guarded by police.” So they no longer undercut union wages, strikers demanded all operators make 35 cents per hour and inspectors 45 cents per hour, making women’s wages equal to their

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168 Ruth Frager and Carmela Patrias, *Discounted Labour*, 77.
170 Quoted from *The Toronto Star*, June 14 1918; Also see David Carnegie, *The History of Munitions Supply in Canada*, 252. and James Naylor, *The New Democracy*, 131-2; While first producing a limited number of Overland cars at the factory following its purchase in late 1915, Russell had since negotiated a contract with the IMB’s Canadian Aeroplanes Ltd. to experiment with production of Sunbeam ‘Arab’ engines to be installed in the Board’s new JN-4 biplane. In total, the Canadian Aeroplanes Ltd. produced 3,000 of these biplanes by the end of the war. See Ian Drummond, ed. *Progress without Planning: The Economic History of Ontario from Confederation to the Second World War*. (Toronto: University of Toronto Press, 1987). 151
male counterparts. Wanting to avoid strike fever and return strikers to work during the company’s short period of financial profitability, Russell surrendered to the workers’ demands. Yet only a week later 135 machinists, many of whom who had been transferred to Plant 2 from Toronto Junction two years earlier, went on strike for the reinstatement of the IAM Local’s secretary. On his lunch hour at Plant 2, L. Johnson strolled down the street to Plant 3 and began canvassing the women’s lunchroom to create a female union. Johnson and the two women speaking with him were “dismissed for furthering trade union propaganda” as one article in *The Globe* put it. Supervisor Fred Adams told the press that the company did not discriminate against the union and was perfectly willing to begin IDIA negotiations, but General Organizer Harry Harper of the IAM retorted that “the company was obstinate and claims that it has absolute control over the men from the time they enter the shops until they leave.” The District Council of Machinists threatened a 2,500-member general strike, crippling the entirety of the Toronto munitions industry, if the “Russell 100” strikers’ demands were not met.\(^{171}\)

Russell had sought to deal with the situation internally and avoid notifying the IMB. However, circumstances became so dire that H.H. MacRae of another Toronto munitions plant telegraphed Flavelle stating “our superintendents requests me to wire you to avert a general strike. They consider the men at Russell’s are right and they assure me the whole body of munitions machinists and tool makers will support them… The men claim that Russell would have given way readily only that they did not need the men during the change over.” Flavelle telegraphed Russell immediately:

> Is this a case you and associates will have to render more service and accept the miserable position of having to do what you believe is unjust so as to avert a general tie-up? Your sane, quiet judgement, I am sure, will tell you what you

\(^{171}\) *The Globe* (Toronto), July 8 1918: 7; July 9 1918: 9; July 11 1918: 6; July 12 1918: 1 and 11.
ought to do. Sometimes a fight is the only way out. Sometimes, however, nothing is gained by a fight even when the case is a just one.

Russell responded to Flavelle the following day, telling him that “we would not place ourselves in the position of being the cause or alleged cause of a general strike in Toronto that would tie up the machine trades at a time like this.” Russell agreed to the strikers’ demands, with the strike lasting around a week. Within the month, Borden passed an order-in-council banning future strikes, and though ultimately a symbolic gesture, its passage reflected the expanding authority of the Union Government. In the heat of wartime conditions, Russell was forced to compromise his companies’ business principles to appease government demands and return the RMCC its highest annual profits in its history.¹⁷² As a business progressive, Russell was motivated by his company’s financial interests. While putting on his best public face for the time being, Russell anticipated his concession was only a temporary sacrifice which he could rectify when employment became scarce, after the war had concluded.

Conclusion

Under the direction of the IMB, Canadian business progressives met the exceptional demands the First World War placed on their industries by implementing a broad platform of reforms to improve their company’s productivity and further their financial interests. This platform included the introduction of scientific management, new inspection, surveillance, and disciplinary measures in the workplace, and other corporate propaganda schemes. Seeing the potential profits which could be gained by hiring women at lower wages, Russell encouraged women to enter his workforce and employed them in IMB and RMCC propaganda to promote

¹⁷² Quoted from LAC, R1449-0-5-E (MG30-A16), Vol. 2, File 11, H.H. McRae to Flavelle, July 9 1918; Flavelle to Russell, July 9 1918; Russell to Flavelle July 10 1918. and Desmond Morton, Working People, 113;
their temporary acceptance in the munition industry as a patriotic service. In order to reduce employee turnover and limit future labour shortages, Russell petitioned the IMB to introduce badge and medal programs intended to prevent the enlistment of skilled munitions workers by war recruiters and deter women from looking elsewhere for employment. Over the span of the last three years of the war, Russell had increased both the RMCC’s annual profits and its workforce by four-fold. However, Russell was far less open to initiatives that might put his company’s financial interests into question, especially in the case of the long-term ramifications which accompanied making wage and workhour concessions to the union movement. Labour strife – caused by a combination of long hours at low wages, stressful factory conditions, and profiteering at a time of rationing and shortages – broke out following strikes in Hamilton in early 1916 and was further escalated after the Bacon Scandal in July 1917. When Russell’s factories at the RMCC and Willys-Overland were besieged by strikes in 1918 over demands for wage equality and worker reinstatement, Russell caved to union demands under government pressure that he might otherwise have resisted. But as his labour dismissals during post-war reconstruction reveal, Russell attempted to immediately roll back these concessions after wartime urgency ceased to be a factor into his workplace practices.
Chapter 4: Russell and Post-War Reconstruction, 1918-1920

Introduction

As the First World War came to a conclusion, the Russell Motor Car Co. (RMCC) was showcased in a long newspaper column in the *Toronto Star* describing the “heavy revenue derived from manufacturers of munitions.” 1918 had been the most financially rewarding year since the company’s founding, raking in $643,000 profit. In the days leading up to the Armistice, Russell employees in the munitions plants were told to take the day off and join in the celebrations in downtown Toronto. Yet for workers at the Willys-Overland plant at Toronto Junction only a few weeks later, “without any warning whatever, when the night shift reported for work on Friday night last, they were told that there was no work, and to come back later and get their money.” Russell had soon fired around 2,200 employees, leaving him with a workforce of just 600 among his remaining factories by the end of the year. His actions were echoed by manufacturers throughout industrial Canada as the cancellation of munitions orders, overstocking of consumer products during the war years, and dried-up domestic markets led to mass unemployment. One news commentator, seemingly oblivious of the wartime financial state forced upon working families, justified the nationwide factory shutdown by stating that “about half the workers in the largest plants are women, many of whom are not dependent on their work for a livelihood.” However, as the column on the workers at Willys-Overland attested, “the employees of this concern were canvassed very finely for the recent Victory Loan, and
subscribed generously on the understanding that there would be ample work to enable them to take up their bonds.”

Although the RMCC took an early lead in the reintegration of veterans into Canadian society and participated in reconstruction efforts, the mass dismissal of Russell’s workforce brought many of these initiatives to an abrupt conclusion. Despite being capable of constructing a state of the art munitions facility from the ground up in only 90 days at the end of 1916, the retooling of the Willys-Overland factory for production of Overland 4 automobiles which began in February 1919 took almost a year to complete in a purposely delayed attempt to sell off surplus stock and decrease the rate of wartime wages. As a member of the Canadian Reconstruction Association (CRA), Russell promoted exports to foreign markets and defended the national tariff, disconnected from the conditions of labour. It was only after May 1919 – when workers’ dissatisfaction over unemployment, wartime profiteering, unfair wages and workhours, and a repressive “plethora of orders-in-councils” enacted by the Union Government culminated in the largest collection of strikes in Canadian history – that mild profit-sharing and other welfare measures were experimented with at the RMCC’s factories.

While the strikes concluded towards the end of July, the Canadian labour revolt was a pressing concern for Russell, who was President of the Canadian National Exhibition (CNE) that August. As historian Elsbeth Heaman has suggested, exhibitions disseminated the values of their organizers, shaped relations between social classes, and had become an important public forum

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173 The Toronto Star, October 12 1918: 27; The Globe (Toronto), November 8 1918: 13; November 28 1918: 8; and December 2 1918. These were Plant 2 and Plant 3 in Toronto’s west end, the latter of which was closed indefinitely in January 1919, Willys-Overland at Toronto Junction, and the CCM Bicycle factory opened in January 1917 at Weston, discussed later in this chapter. Plant 2 was made into a subsidiary called the Russell Gear and Machine Co. producing automobile parts.

in Ontario by the 1840s.175 With the future King, Prince Edward, in attendance mid-way through his Canadian tour, Russell had become Canada’s industrial representative before the British Empire and responsible for ensuring the Exhibition’s success in the crucial first year of peace. Hoping to restore faith in manufacturers, Russell invited the “leading labouring men of the city” to the Labour Day directors’ luncheon and promised a new vision for the future of labour reform. Yet when delegates from government, labour, and industry met at the National Industrial Conference a few weeks later to discuss the suggestions of the Royal Commission on Industrial Relations (Mathers Commission), Russell was nowhere to be found.176 By the post-war era, business progressives like Russell were at the forefront of public discourse on the future of Canadian industry, but they were unwilling to combat unemployment or help resolve existing labour concerns when it meant compromising their businesses’ financial success. The CRA, which contrary to its founding principles only ever really safeguarded manufacturers’ interests, demonstrated business progressives’ inability to resolve workers’ rising dissatisfaction over the period of industrial reconstruction, which was confirmed when the association disbanded in early 1921. Labour ultimately came to reject the premise that businessmen’s stewardship over the national interest also had their own livelihoods at heart.177 Nevertheless, business progressives’ acceptance of having government bodies play a guiding role in managing the wartime economy, to employers’ financial benefit, unintentionally provided legitimacy for other forms of government economic intervention in the post-war period.

176 The Globe (Toronto), September 2 1919: 9; and October 15 1920: 14.
“In the Individual as Well as the National Welfare”: The RMCC, Returning Veterans, and Dismissing Women Workers

Munitions manufacturers’ continued reliance on Imperial war contracts for their financial security was accompanied with certain government expectations surrounding, among other issues, the reintegration of veterans back into the workforce and Canadian society. Over the last year of the war, two government organizations were established in order to provide training and services to returning veterans. The first was the Soldier Settlement Board (SSB). When the SSB was founded in August 1917, Russell arranged the creation of a rehabilitation farm as part of the broader government initiative to provide former soldiers with agricultural training, with the ultimate aim of giving them the opportunity to settle federally owned lands in the Prairies so long as they could cover a fifth of the cost of the land, building supplies, and equipment. After selling the former Lozier factory at Toronto Junction to Willys-Overland in late 1915, Russell purchased an 80-acre site in Weston and began construction of a new Canada Cycle and Motor Co. (CCM) factory to capitalize on the growing wartime bicycle trade. Opening in January 1917, the plant soon employed 525 workers. The RMCC’s rehabilitation farm was erected on the remaining acreage.¹⁷⁸ In a pamphlet published by the RMCC in 1918 titled “Soldier-Citizens,” the company attempted to illustrate its therapeutic role in restoring veterans to health by “fitting them for a life of usefulness on the land.” It stated that,

A man who is physically fit to leave the hospital is rarely industrially fit. He recovers his normal health in a miraculous amount of time when he ploughs and

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¹⁷⁸ Specifically, the CCM factory was located on the south side of Lawrence Avenue. Construction began in mid-1916, see John A. McKenty, Canada Cycle & Motor: The CCM Story. (Belleville: Epic Press, 2011), 128. and Jaroslav Petryshyn, Made up to a Standard: Thomas Alexander Russell and the Russell Motor Car Company. (Burnstown: General Store Publishing House, 2000), 140; For Soldier Settlement Board, established August 1917, see The Toronto Star, May 28 1919: 6. and Industrial Canada (Toronto), Vol. XX, October 1918. p. 56
plants, working and living under the blue sky, close to the soil of this Canada that he has fought for! ^179

While the SSB continued to operate with relative success until 1921, other returned veterans participating in “industrial re-education” at the RMCC were not so fortunate. The company initially collaborated with the Department of Soldiers’ Civil Re-Establishment, founded in February 1918, to begin training around 200 returned veterans at semi-skilled labour. While the trainees anticipated future employment through the program, Russell’s mass workforce reductions at the end of the war suddenly meant that no new positions were available. ^180 Their experiences were similar to those unemployed workers searching for work via the Employment Service of Canada, founded in May 1918, which had been handicapped by manufacturers who refused to open their factory doors while surplus remained in stock. Workers training at the RMCC instead joined the abundant number of skilled and unskilled workers who found themselves unemployed as a result of manufacturers’ zealous overexpansion throughout the war years. ^181

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^179 Soldiers’ recuperation on the farm was also considered a continuation of patriotic duty, writing that “the ambitions of the returned soldier is to uphold the glorious traditions of Canada’s fighting men, to uphold the dignity of the land for which his comrades have fallen. He realizes that patriotism is expressed in living as well as in fighting – in dignified, worthy citizenship.” See McMaster University Mills Memorial Library, William Ready Division of Archives and Research Collections (MCA), RC0621, Vol. G005, File 8, Russell Motor Car Co. Ltd. Collection, Soldier-Citizens Pamphlet, 3 and 6; The convalescent farm was also discussed in newspapers. See The Toronto Star, October 12 1918: 2; May 28 1919: 6. and Industrial Canada (Toronto), Vol. XX, October 1918. p. 56


^181 Part of manufacturers reluctance to fully employ veterans stemmed from a stigma of violence against immigrant labour. After a week of attacks by returned veterans against foreign businesses and industry across Toronto in April 1917, a congregation of veteran gathered at the RMCC’s Plant 1 in downtown Toronto demanding the ‘patriotic dismissal’ of 90 Ukrainian labourers who had been released from the Kapuskasing internment camp a year prior. The conflict became so heated that soldiers were dispatched to quell the disturbance. While six of the veterans were eventually court martialed, soldiers who arrived on the scene were described as initially sympathetic to the veterans’ cause, indicating the increasing frequency of nativist sentiments as the war progressed. Only a few days later, veterans working at the plant forcibly removed six workmen with foreign surnames. It was only later discovered upon investigating the incident alongside the Great War Veterans Association that the men were in fact of Russian and Serbian descent, who like Ukrainians were from nations fighting alongside the Allied forces. See Tim Cook, Warlords: Borden, Mackenzie King, and Canada’s World War. (Toronto: Allan Lane, 2012), 47. Desmond Morton,
Women workers, lauded by the RMCC for their skills and innate ability to work in the munitions industry during wartime, fared even worse than their male counterparts at war’s end. As manufacturers began the mass dismissal of women from industry in the weeks following the Armistice, the CRA published pamphlets seeking to advise women on future roles outside of industry. In the days following the war’s conclusion, Miss Moore, Superintendent of Plant 3, hosted a dinner party for middle class inspectors for *The Globe* on the women’s expectations of reconstruction. One of the women told the paper that if there “were a period of idleness it would only be short and could be tied over with a little thrift.” Several of the women admitted to already performing work on the side, one doing laundry work for neighbours, another raising dogs, and a last raising thorough-bred Persian kittens to pay her mortgage. Although many women were said to be excited to continue seeking employment in the future, Moore urged them to return to domestic life, stating that “the business of home-making is paramount… the finest thing they can do is to marry and raise a happy family – that is the best service they can render to the state and the surest way to bring contentment to themselves.” The women also took the opportunity to share criticisms and voice concerns of the company-wide layoffs and factory closures. One woman, Sidney Small, subtly accused the company of paying lower wages to recompense its wartime welfare expenditures. Small explained that “though a reformer is never a popular idol, women must not flinch when she sees wrongs that should be righted. Service is our inheritance from war days.”182 On the whole, middle class testimonies sponsored by the RMCC presented an uncritical response to the company’s post-war labour dismissals which, along with

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182 *The Globe* (Toronto), November 16 1918: 10; and November 20 1918: 4.
other business progressives, Russell used to downplay the impact of post-war financial uncertainty on his soon to be unemployed workforce.

“Dangerous to Production, to Labour, and to Industry”: Work Stoppages, Industrial Reconstruction, and the Canadian Labour Revolt, November 1918 to July 1919

Canadian businessmen were deeply divided on the direction of industrial activities during the period of post-war reconstruction. As in the past, manufacturers universally rallied behind protecting the national tariff, supporting “made in Canada” products, and selling to potential imperial export markets. Yet their proposed solutions to industrial reform and restoring cooperative labour conditions varied dramatically. The Canadian Manufacturers Association (CMA), still the largest employers’ organization in the country, rejected any concessions to organized labour in the years to come. Fearing that manufacturers’ over-reliance on government war contracts, as well as the slew of government control boards introduced over the previous few years, might allow future governments to force through labour reforms, the CMA demanded the quick withdrawal of government intervention in Canadian industry. In contrast, the CRA, formed in May 1918 and chaired by Flavelle protégé Sir John Willison, was made up of only an upper echelon of Canadian business leaders. The association tasked itself with bridging the national division between manufacturing, labour, and farming interests by introducing business progressive reforms and continuing government control boards after the war, which they hoped

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183 These control boards included the Board of Grain Supervisors, the Canada Food Board, the Fuel Controller, the Canadian Wool Commission, the Natural Resources Commission, the War Purchasing Commission, and the Imperial Munitions Board, to name a few. See Craig Heron, ed. The Workers’ Revolt in Canada: 1917-1925. Toronto: University of Toronto Press, 1998, 15. and Director of Public Information, Canada’s War Effort, 1914-1918; Originally titled the Canadian Industrial Reconstruction Association, the organization was renamed in late 1918. For greater insight in CRA policies, see Alan Bowker, A Time Such as There Never Was Before: Canada after the Great War. (Toronto: Dundurn Press, 2014), 255. Tom Traves, The State and Enterprise: Canadian Manufacturers and the Federal Government, 1917-1931. Toronto: University of Toronto Press, 1979, 24. and James Naylor, The New Democracy: Challenging the Social Order in Industrial Ontario, 1914-1925. (Toronto: University of Toronto Press, 1991), 190.
would defend business interests in the period of financial uncertainty as well as offset some of the impact of post-war unemployment. A widely distributed pamphlet and newspaper campaign, much like the Canadian National League’s during the 1911 Federal Election, pressured businessmen to employ larger workforces, adopt industrial councils, implement profit-sharing programs, and defended responsible unionism. They also recommended improving plant safety and the introduction of accident compensation and insurance schemes.

As a member of both the CRA’s Central District Committee and the CMA, Russell was at a crossroads between the tenets of the two organizations. While Russell directed the RMCC to participate in the CRA’s export and pamphlet campaigns to support their business sales, he was unwilling to risk the company’s enormous profits over the past three years on issues of unemployment, wage increases, or experimentation with other labour reforms.\(^{184}\) Over the opening years of the post-war period the vast majority of these control boards quickly became the target of elimination by the Union Government. The factory closures of business progressives like Russell, and their reluctance to compromise with the growing labour movement after four years of military conflict, substantially contributed to the outbreak of the 1919 labour revolt and fueled future advocacy for government intervention in the Canadian economy.

As the RMCC transitioned back into the commercial economy, the company made significant contributions to the CRA’s export campaign to further their financial interests. After a

\(^{184}\) *The Globe* (Toronto), May 17 1918: 9; Willison had been a journalist with *The Globe* since 1905, before switching to the Flavelle owned *Toronto News* until around 1911. During the war years, Willison worked on government commissions for housing and unemployment. Ironically, the CRA had actually been funded using CMA funds, though the CRA was typically critical of the policies of the latter and their relationship kept a secret from the public. See Alan Bowker, *A Time Such as There Never Was Before*, 254-5. and and James Naylor, *The New Democracy*, 190-9; Those in high technology industries who had greater difficulty competing against unfettered trade with United States also desired the introduction of a scientific tariff board, a key CRA platform which was hoped would take the tariff debate out of partisan politics and prevent major tariff revision in the post-war era; The process of introducing industrial councils has received greater attention in Bruce Scott, “A Place in the Sun: The Industrial Council at Massey-Harris, 1919-1929.” *Labour/Le Travail* 1 (1976): 158-92.
successful year as Commissioner of the Canadian War Mission in Washington, bringing in $250,000,000 in war orders from the United States, the RMCC’s President Lloyd Harris was appointed as Chair of the Canadian Trade Mission in Europe in November 1918. Harris was one of ten Canadian representatives to join Borden at the Paris Peace Conference, and over the following year, spoke in Britain, Europe, and Canada promoting the “illimitable markets for dominion products.” Harris stated that Canada would be in the best condition in the world within three years if it could maintain its high export trade. \[185\] Russell also entered the public debate on reconstruction when he was made President of the Canadian branch of Willys-Overland in March 1919. Speaking at the Canadian Club, Russell promised to hire 1,000 workers at the Toronto Junction plant to produce “made in Canada” cars by the summer of 1919, though this was still a third less than the company’s pre-war workforce. Russell also called for the repeal of the Business Profits Tax to encourage manufacturers to return to production and stimulate the Canadian economy. On the topic of the tariff, Russell insisted that he was now “for complete free trade with the United States and Canada,” but quickly recanted this stance by stating reciprocity would jeopardize Canada’s relationship within the Empire and that he was “convinced from an economical ground it could only be carried out as a deliberate part of a policy of political union.” \[186\] The complete lack of discussion of the problems of labour and unemployment was in stark contrast to his testimony before the Mathers Commission only a month later.

The outbreak of strikes in cities across the country in May 1919 surprised distracted manufacturers, who had failed to meet post-war expectations of industrial reform. As illustrated in historian Craig Heron’s edited collection, The Workers’ Revolt in Canada, the particular

\[185\] The Globe (Toronto), November 18 1918: 2; May 28 1919: 5; November 17 1919 7; and November 28 1919 9. Quoted from The Globe (Toronto), September 10 1925: 12.

\[186\] The Globe (Toronto), March 1 1919: 16; and March 4 1919: 14.
motivations behind the various strikes differed with local and regional circumstances, but the most universal demands among trade unionists were the enactment of an eight-hour day and the recognition of collective bargaining rights, both measures which Borden had agreed to at the Paris Peace Conference and which organized labour argued businessmen were now obligated to endorse.\textsuperscript{187} Toronto was hit by a succession of strikes, culminating in the Toronto General Strike which lasted until the end of July. The strikes commenced with the Metal Trade Council, formed from twelve craft unions in January. One representative of the Council reported to \textit{The Globe} that employers “took advantage of the workers when they were in the front trenches in France and Belgium and made such gluttonous profits that they now wish to continue their profit-mongering at the expense of those who have returned after doing their bit.”\textsuperscript{188} Working through the Employers’ Association, manufacturers refused government arbitration with the strikers so long as workhours and wages were up for discussion. The Metal Trades Council even agreed to return to work at 44 hours per week and negotiate other concerns at a later date, but employers remained resolute.

Towards the end of May 1919, Russell was brought before the Mathers Commission, which had been appointed the month before to investigate and suggest improvements for post-war industrial conditions. With roughly a third of his remaining workforce participating in the strike of the Metal Trade Council, Russell told the Commission that “if there is a general strike in Toronto it will not be the fault of employers,” and that his workmen had been forced against their will to participate, though the commissioners said they found this scenario incredibly unlikely.

\textsuperscript{187} Craig Heron, ed. \textit{The Workers’ Revolt in Canada}. Along with Winnipeg and Toronto, strikes also took place in Ottawa, Montréal, Vancouver, Victoria, Kingston, Guelph, Welland, Amherst, Belleville, Port Arthur, Brantford, and St. Catharines. See, \textit{The Globe} (Toronto), May 17 1919: 3; May 16 1919: 1; and \textit{The Toronto Star}, May 28 1919: 1.

\textsuperscript{188} Quoted from \textit{The Globe} (Toronto), May 3 1919: 8. Also see \textit{The Globe} (Toronto), May 10 1919: 7 and 8. and James Naylor, \textit{The New Democracy}, 48.
Like other manufacturers, Russell instead argued that the strikes were driven by the “universal and natural desire for betterment” among skilled labour, for which manufacturers were not responsible. He testified that “work creates work. Unemployment and financial depression travel in cycles. I do not profess to have any solution to the problem of unemployment.” In spite of claiming he had no solutions to unemployment, Russell promised that his Willys-Overland would employ a further 500 workers at Toronto Junction, though also stating he would delay reopening the plant until 1920. When asked for his thoughts on industrial representation, Russell simply stated “every business must have a head” while conceding the following:

I am not claiming that the attitude of employers in the past has been all that it should. Employers must look beyond the mere prospect of keeping wages down, but the workmen must evince a constructive sympathy with the need for production in order to win the confidence of their employers.

Despite years of devoted patriotism working in war factories and fighting in the trenches, suffering through the deaths of loved ones, bearing exhausting factory conditions, employers’ profiteering, and spiraling inflation, the only explanation that Russell could muster for businessmen’s inadequacy to commit to labour reform and reemployment in the post-war period was that working class Canadians had yet to “win the confidence of their employers.” Over the coming months, manufacturers waited out organized labour until the movement began losing momentum. With the collapse of the Winnipeg General Strike, where the Northwest Mounted Police arrested members of the more radical Central Strike Committee which had seized control

189 Quoted from The Toronto Star, May 19 1919 2. This had been 18 machinists from the CCM bicycle plant and 100 from the Russell Gear and Machine Co., formerly Plant 2. See The Globe (Toronto), May 3 1919: 8. and The Toronto Star, May 28 1919: 2.

190 The Toronto Star, May 28 1919 2. Russell also attempted to argue that unions hindered industrial growth, providing the ridiculous example that “If a man can run two [machines] he should be allowed to do so. Such a restriction hampers production, yet the union offers no constructive suggestion as to overcoming the handicap it would impose.”
of the municipal government, as well as charging and firing on protesters, the Canadian labour revolt was brought to a bloody conclusion. In clear contrast to the compromises the RMCC had made with organized labour in strikes the year before, Russell now thought that they were no longer essential to his financial success.

“Around Which the Whole British Empire Centred”: The CNE and National Industrial Conference, August to September 1919

Russell used his influence as President of the CNE in late August 1919 to reposition business progressives’ approach to the post-war economy and stressed the need for co-operation within industry until reforms could be implemented. The RMCC planned to take advantage of the CNE’s publicity by unveiling the company’s new Overland 4 motorcar. Scheduling the Eastern Canada Overland Dealers’ Convention around the festivities, Russell was willing to exaggerate his promises of industrial reform to ensure he did not suffer any reactions from the labour movement which might place his financial stakes in the Exhibition at risk. The Exhibition was the largest public event of the post-war period, receiving over 100,000 visitors per day and set a record for the Exhibition’s highest attendance up to that point, with over 1,000,000 for the entire event. With the heavy presence of unions and over 30,000 veterans, the event provided Russell with the opportunity to gauge public sentiment and rehabilitate some of the RMCC’s reputation with accounts of their wartime achievements. Documenting the royal visit of the Prince of Wales to Canada in 1860, Ian Raforth argues in Royal Spectacle that royal visits were typically intended to recapture long-standing traditions and reinforce Canada’s ties to the Imperial community. Prince Edward, who paraded through the crowd wearing military attire and

191 David Bercuson’s Confrontation at Winnipeg provides one of the earliest and most detailed accounts of the General Strike. See David Bercuson, Confrontation at Winnipeg: Labour, Industrial Relations, and the General Strike. (Montréal: McGill-Queen's University Press, 1974).
shaking spectators’ hands, was a symbol for an Empire at war. One article in *The Globe* described the crowd’s enthusiasm as,

> Not nice, neat, cut-and-dried, well-regulated ‘hip-hip-hurrahs,’ but a great gust of sound sweeping up from the vast throng and swelling in volume to a veritable diapason of homage to all that the slight, khaki-clad figure under the flag-draped canopy typified – the central point around which the whole British Empire centred.  

Organizers hoped to recapture this sense of British-Canadian patriotism to their advantage. Russell told *The Globe* that “the Exhibition was one of the greatest results of co-operation between Capital and Labour and Agriculture and Industry,” and used the event to demonstrate his company’s dedication, if only on the surface, to easing labour tensions through industrial reform.  

Between the labour revolt in May 1919 and the beginning of CNE, Russell had announced minor welfare reforms intended more to maintain the company’s reputation than provide tangible solutions to the problems of wages and unemployment. These token gestures included the adoption of company workforce magazines, the *Willys-Overland Starter* and *CCM Plant News*, a Willys-Overland Soccer Club, as well as promising a profit-sharing program to be introduced for when production resumed at the Willys-Overland plant the following year.  

In an attempt to win over unions, Russell and the CNE Directors arranged an employment fair with the Employment Service of Canada who distributed booklets on recently passed legislation and

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193 Quoted from *The Globe* (Toronto), September 2 1919: 9; August 26 1919: 1; and August 28 1919: 1; James Lorimer has offered the most detailed account the history of the CNE in his *The Ex: A Picture History of the Canadian National Exhibition*. (Toronto: James Lewis and Samuel, 1973), 46.  
amendments to the unemployed. On Labour Day, Russell invited Thomas Moore, President of the Trades and Labour Congress of Canada, and other delegates to the directors’ luncheon in an effort to demonstrate the manufacturers’ commitment to the future of labour relations. Before the delegates and directors, Russell announced that “this Labour Day is the greatest that we have ever known. I don’t think there has ever been a time given to the questions of employment and the welfare of the working classes as to-day.” Yet as Russell’s absence from the National Industrial Conference indicated a few weeks later, labour representatives were unable to rely on his commitment to improving labour-industrial relations, at least now that the strikes had concluded.

Inspired by the British Peace Congress which met in Britain in February 1919, the National Industrial Conference met in September and brought together around 200 delegates from trade unions, employers, and government “impartial”s to discuss the recommendations of the Mathers Commission and reach agreement on a coherent strategy to present to the Borden Government with the hopes of subduing further labour agitation. Recommendations for debate included the enactment of the eight-hour day, proportional representation, creation of a minimum wage, the right to collective bargaining, and the introduction of pension and unemployment insurance programs. For a policy to be endorsed, each delegation had to agree to it. That month, the CRA paid leading members of the Trade and Labour Congress $50,000 to pass resolutions endorsing legislation for a tariff commission and to reject the radical, industrial unionism growing in Western Canada. Yet the delegation of manufacturers was reluctant to loosen control

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195 The Globe (Toronto), August 26 1919: 17; and September 2 1919: 9; Russell also had 12 cattle win Exhibition competitions that year. See Official Catalogue and Programme of the 41st Annual Canadian National Exhibition, Toronto, August 23 to September 6. (Toronto: Ryerson University Press, 1919). In an effort to illustrate his respectability as an employer, Russell also showcased bicycle products produced by disabled veterans employed at the CCM plant.
over industrial policy, and vetoed a multitude of the suggestions made by the Commission.\textsuperscript{196} The result of the Conference was thus limited. Other initiatives to regulate business profits, such as the Board of Commerce created in July 1919 to eliminate monopolies, mergers, and profiteering, or the Tariff Commission formed in 1920, had all failed to survive beyond a year. Following the failure of the CRA’s key agenda items, the association disbanded in early 1921.\textsuperscript{197}

Business progressives’ unwillingness to resolve the adverse effects of wartime overworking and post-war unemployment caused by the expansion of their wartime hiring and training practices to increase productivity was a detriment to working people on the Canadian home front during the First World War. But business progressives’ industrial changes also had a transformational affect on Canadians’ political outlook. In future elections, an electorate distrustful of business leaders and political insiders voted for more populist parties and representatives more open to political participation and more willing to use government economic involvement to direct societal change. United Farmers’ parties founded during the war and post-war periods rose to power in Ontario in 1919, and in Manitoba and Alberta in 1921. In the Federal Election of 1921, Canadians voted for Liberal Party leader William Lyon Mackenzie King to become Prime Minister on a platform of reduced tariffs, better working conditions, and government impartiality, but limited him to a minority government.\textsuperscript{198} King’s seat total was followed by the newly formed Progressive Party, advocating agrarian interests, and lastly, the Conservative Party, who just three years before governed Canada through four years of war.


Conclusion

The nominal contributions of business progressives like Russell to reconstruction in the post-war period had a dramatic effect on Canadian society. While collaborating with veterans’ organizations to create farming and industrial re-education programs to reduce the risk of post-war unemployment, the IMB’s sudden cancellation of war contracts following the Armistice brought the RMCC’s reconstruction efforts to a halt. By November 1919, government debt was at its highest in Canadian history, and wartime profits were locked away in the financial capital of the country’s manufacturers. Business progressives lent lip-service to the organizational platform of the Canadian Reconstruction Association while using the association to reinforce support for the national tariff, “made in Canada” products, and export to Imperial markets. In the case of the RMCC, Russell decided not to reinvest his companies’ profits to provide employment, but instead authorized long-term factory closures, reduced wages, and withheld employment opportunities from returned veterans. These policies were echoed by businesses across Canada, which fed frustration over working conditions and the level of post-war unemployment. During the outburst of national strikes in May 1919, Russell refused to concede to union demands as he had the year before, because he no longer relied on their services for financial support. Russell’s introduction of company magazines, sport clubs, and a profit-sharing program were small compromises compared to unions’ demands, and really only serving to improve Russell’s public standing to better sell his product line at the CNE in September. His absence from the National Industrial Conference that same month, and the Conference’s failure to enact any considerable industrial reforms, signified business progressives’ continued refusal to implement improvements in industry in the post-war period when they conflicted with their company’s financial gains.
Conclusion

This project has examined the Canada Cycle and Motor Company (CCM) and Russell Motor Car Company (RMCC) between 1899 and 1920. Investigating the origins of progressive ideals in Canadian business and their impact on wartime and post-war industrial reform reveals valuable insights about the emergence of managerial capitalism at the turn of the 20th century. Business progressives arose out of complex shifts in Canadian business relations at the turn of the 20th century, and were newly trained in modern techniques of managerial oversight, publicity strategies, and methods of industrial efficiency. These shifts included the creation of university-level business education, intended to professionalize the management of Canadian companies, and the Merger Movement, which assisted the formation of large corporate entities out of small regional firms. As was the case with Russell’s reorganization of the Canada Cycle and Motor Co. (CCM) from bicycle to automobile production, some of these new corporations entered into high-technology industries, especially when market fluctuations threatened the financial success of their original product lines. Rising in political influence during the tariff debate of 1911, Russell collaborated with other business leaders and politicians to protect his automotive interests through large scale pamphlet campaigns and backdoor diplomacy to promote and support the election of Sir Robert Borden’s Conservative Party. By 1912, Russell’s managerial expertise had made the RMCC one of Canada’s leading automakers, but after a catastrophic financial recession the following year starved the RMCC’s auto sales, it appeared no level of advertising or elaborate publicity campaigns could reverse the company’s loss in revenue.

At the outbreak of the First World War, manufacturers anticipated that future war orders for equipment and munitions would provide ideal solutions to their financial troubles. But the
small volume of war orders placed by the British War Office in Canada, along with the
patronage methods of Sir Sam Hughes as Minister of Militia, meant manufacturers struggled to
receive contracts. To restore the RMCC’s depleted annual revenues, Russell persistently inquired
into obtaining war contracts, producing military vehicles and publicizing his role in early
propaganda efforts in newspapers and at the Canadian National Exhibition (CNE). However,
ongoing issues of political patronage, excessive military spending, profiteering, and a failure to
deliver orders on schedule resulted in the War Contracts and Shell Scandals in 1915 and 1916.
Having already experienced difficulties with Hughes, Russell testified against him in the hopes
of creating more favourable military purchasing practices to manufacturers.

Following calls for his resignation, Hughes was replaced in the administration of war
contracts with Russell’s mentor Sir Joseph Flavelle, who became Chairman of the Imperial
Munitions Board (IMB) in November 1915. The IMB provided war contractors with additional
business oversight in the form of loans and subsidies, more competitive contracting, on-site
government inspection, and the guarantee of a steady flow of war orders. These measures
permitted manufacturers greater freedom to implement wartime industrial reforms to combat
wartime conditions such as labour shortages and inflation to achieve their company’s financial
interests. At the RMCC, Russell adopted scientific management techniques to promote
workplace productivity, deskill complex munitions tasks, encouraged women to temporarily
enter the workforce to fulfill wartime demands for labour, and supported propaganda campaigns
to manage the company’s wartime reputation.

By the end of the First World War in November 1918, business progressives had used
their considerable control over industrial policy to increase productivity and had accumulated
enormous profits in the process. Their implementation of wartime industrial reforms also had
severe and unintended consequences for working people in post-war Canada. Veterans returned home from overseas to a more skilled and unionized labour market which manufacturers had trained to meet demands for wartime labour. Following the cancelation of Imperial war contracts, manufacturers prioritized the protection of their wartime earnings. Faced with a climate of high unemployment, high government deficit, and his own companies’ high profit margins, Russell immediately halted production, closed his factories, and dismissed nearly his entire workforce. Business progressives’ activities tended to be detrimental to the efforts of Canadian reconstruction, with attempts to return wages to pre-war levels, and even reverse their own wartime industrial and fiscal reforms since they no longer supported manufacturers’ bottom line. Their unwillingness to combat the post-war labour problem was severely detrimental to the influence of business progressives in Canadian politics in the years to come. Business progressives’ refusal to compromise their financial interests except in exceptional circumstances highlighted the severe limitations of their “progressivism” and called into question how progressive they actually were.

Secondary research for this project has intersected with various historical fields, including scholarship on education, business, automobiles, advertising, military, gender, and labour history, to name a few. The First World War transformed Canadian society, but Russell and other business progressives’ self-serving industrial reforms played more of a disruptive role in the wartime economy, and their long-term financial gains were negligible after several years of post-war recession. Through their propaganda efforts, the RMCC contributed to pushing the boundaries of traditional femininity by extensively employing women in the munitions industry. However, the degree of control new production and surveillance techniques gave to manufacturers indicates more than scholarship usually suggests. During the period of
reconstruction, business progressives restricted women’s prospects for future employment in an attempt to force women out of the labour market.

While business progressives used their political capital to support industrial reforms, the nature of these reforms tended only to serve manufacturers’ own financial gains. As war manufacturers, business progressives failed to act responsibly in the fact of the devastation their industries caused in the post-war period. Russell’s commitment to factory closures and repealing wartime fiscal and industrial reforms in the face of mass unemployment and an already aggravated labour movement substantially contributed to the causes of the 1919 labour revolt and fueled future advocacy for government intervention in the Canadian economy, although much of this activism and reform did not see fruition until the Great Depression a decade later.
Appendix

Figure 5. First Public Reveal of Russell Model A outside Toronto City Hall, 1905. Thomas Russell is seated in the driver’s seat of the first car. (Jaroslav Petryshyn, *Made up to a Standard*. (Burnstown: General Store Publishing House, 2000), 14.)

Figure 6. Armoured Cars produced by the RMCC at the Canadian National Exhibition, 1915. (Toronto Archives, Fond 1244, Item 874, Armoured Cars at CNE, 1915.)
Figure 7. Inspection of RMCC Armoured Cars at the CNE, 1915. (LAC, John Boyd Fonds, Item No. 12324, Motor Armoured Car [in the Exhibition Grounds], Toronto, 1915.)

Figure 8. Thread Milling Department at the RMCC’s Plant 3, 1917. (Shaw Newton, *The Second Line of Offence*. (Toronto: Southam Press, 1917), 39.)
Figure 9. Rough Turning Department at the RMCC’s Plant 2, 1917. (Shaw Newton, *The Second Line of Offence*. (Toronto: Southam Press, 1917), 58.)

Figure 10. (LAC, Department of External Affairs, Item No. 1964-114 NPC, Morning Shift Leaving Russell Motor Car Co. Ltd., Plant at King and Duncan Streets, Toronto, 1917.)
Figure 11. Willys-Overland Float in Women’s Day Parade, CNE, 1918. (Ian Miller, *Our Glory and Our Grief: Torontonians and the Great War*. Toronto: University of Toronto Press, 2002.)

Figure 12. Women Munitions Workers line up for Last Pay at the RMCC’s Plant 2. (Toronto Archives, Fond 1244, Item 3068, Women Munitions Workers line up for Last Pay, 1918.)
Figures 13 and 14. T.A. Russell and the Prince of Wales giving the Inaugural Address at the CNE, 1919. (“Britain’s Future King,” Video Recording, LAC, 7:48, September 1919.)
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