

Australian-Canadian Studies

A Journal for the Humanities and the Social Sciences

Feature Articles

Tamsin Solomon

Antisemitism as Free Speech: Judicial Responses to Hate Propaganda in Zundel and Keegstra

Paul R. Bartrop

Canada, Australia and the Holocaust: Comparing the Refugee Record of the Two Largest Dominions

Barnett Richling

Applied Anthropology and Aboriginal Peoples in Canada, 1910-1939

John Benson

Penny Capitalism in Late Nineteenth and Early Twentieth-Century Canada

John Jenkins and T.W. Maxwell

A Comparative Study of Tourist Organisations in Australia and Canada

Larry Gray

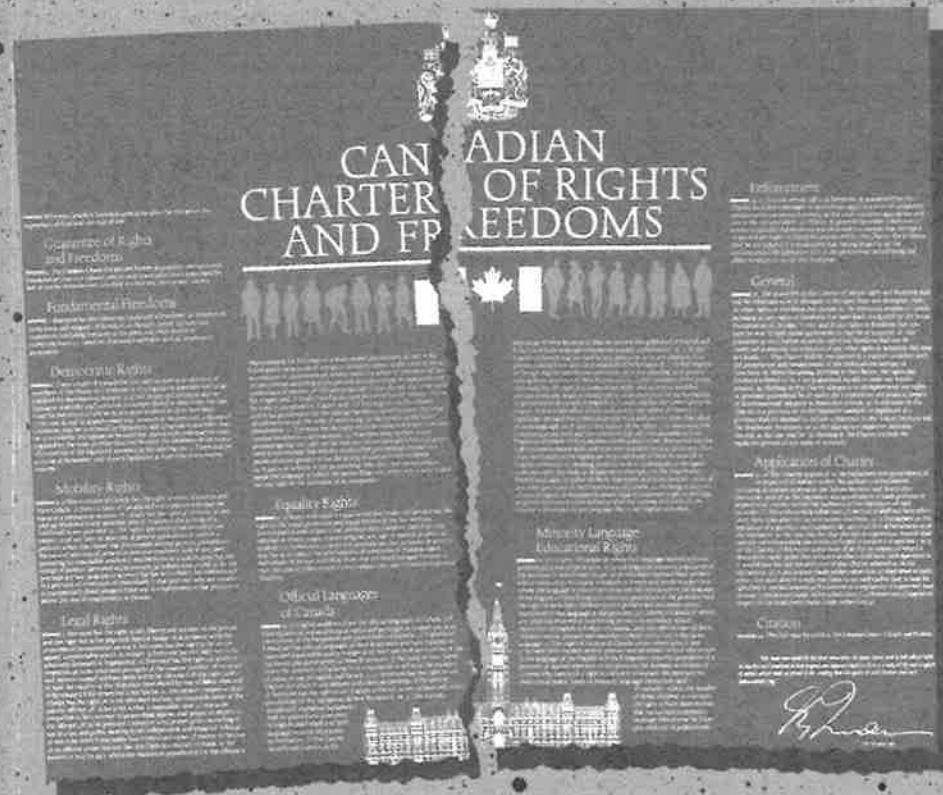
School Accountability: Lessons from British Columbia

Feature Review
Paul R. Bartrop

Judy Chicago's Holocaust Project

Australian-Canadian Studies

A Journal for the Humanities and the Social Sciences



Vol. 13, No. 1, 1995

TABLE OF CONTENTS

VOL. 13, NO. 1, 1995

EDITORIAL		v
FEATURE ARTICLES		
TAMSIN SOLOMON	Antisemitism as Free Speech: Judicial Responses to Hate Propaganda in <i>Zundel</i> and <i>Keegstra</i>	1
PAUL R. BARTROP	Canada, Australia and the Holocaust: Comparing the Refugee Record of the Two Largest Dominions	33
BARNETT RICHLING	Applied Anthropology and Aboriginal Peoples in Canada, 1910-1939	49
JOHN BENSON	Penny Capitalism in Late Nineteenth and Early Twentieth-Century Canada	63
JOHN JENKINS	A Comparative Study of Tourist Organisations in Australia and Canada	73
LARRY GRAY and T.W. MAXWELL	School Accountability: Lessons from British Columbia	109
FEATURE REVIEW		
PAUL R. BARTROP	Judy Chicago's <i>Holocaust Project</i>	129
REVIEWS		from 133
CHRISTY COLLIS	<i>And Their Ghosts May be Heard....</i>	
RICHARD W. IRELAND	<i>Rough Justice</i>	
PATRICIA E. ROY	<i>A Sensitive Independence</i>	
SONIA MYCAK	<i>Strategies for Identity</i>	
DOUGLAS BARBOUR	<i>The Cave after Saltwater Tide; This World/ This Place; Acoustic Shadow; Anima</i>	
HEATHER MACFADYEN	<i>Myth and Milieu</i>	
PAUL SHARRAD	<i>A Grain of Truth</i>	
REBECCA ALBURY	<i>The Nature of their Bodies</i>	
GEOFFREY SYKES	<i>Dependency/Space/Policy; Rethinking the Future; Where to Now? Australia's Identity in the Nineties</i>	
ROBERT NICOLE	<i>Readings in Pacific Literature</i>	
T.L. CRAIG	<i>Literature as Pulpit</i>	
LOIS FOSTER	<i>Australia and the Holocaust</i>	
NOTES ON CONTRIBUTORS		179

COVER PAINTING:

by

GERRY TURCOTTE, ©1995.

COMPUTER GRAPHIC—COLLAGE & PAINT
INCORPORATING A PHOTOGRAPH BY
SCOT MAGNISH/ OTTAWA SUN, FROM
WARREN KINSELLA,
WEB OF HATE: INSIDE CANADA'S FAR RIGHT NETWORK
(1994. HARPERCOLLINS).

The Photo Caption reads:
"A young skinhead sporting a swastika armband
poses with an unidentified child in August 1992
at La Plaine, Quebec."

JOHN BENSON
**PENNY CAPITALISM IN LATE
NINETEENTH AND EARLY TWENTIETH-
CENTURY CANADA***

Neither economic, social nor labour historians have paid sufficient attention to individual and family, as opposed to communal and collective, attempts at working-class self-help. Indeed, it is only comparatively recently that historians of late nineteenth- and early twentieth-century Canada have begun to show any real understanding of the complex ways in which working people endeavoured to make a living. Yet it is clear already that few families depended solely upon the husband's single, regular weekly wage. Much employment was seasonal or casual in nature and many—if not most—families derived their income from a whole cluster of different sources: the work done by the wife and children; the proceeds of begging and petty crime; and the profits of more respectable forms of individual and/or family enterprise and self-help (DeLottinville, 1981–82; Lacelle, 1982; Bradbury, 1984; Bradbury, 1989).

It is the purpose of this short article to direct attention towards one still neglected form of such enterprise and self-help: working-class (or penny) capitalism. It has four broad objectives: to provide a working definition of penny capitalism; to assess the incidence of penny capitalism in late nineteenth- and early twentieth-century Canada; to evaluate the impact that penny capitalism had upon Canadian working-class economic and social mobility; and to consider the feasibility of comparing penny capitalism in Canada to that in Australia and New Zealand. It will be argued that penny capitalism remained much more common in Canada than has ever been supposed; and that although it resulted in very limited economic and social mobility, it encouraged,

and/or reflected, a powerful belief in the possibility of economic and social advance. It will be suggested too that the comparative study of penny capitalism might well help to further the understanding of working-class life in late nineteenth- and early twentieth-century Canada, Australia and New Zealand.

I

It is not easy to formulate a working definition of penny capitalism (Benson 1983a, 4–6; Benson 1991, 3–8); however, it may be useful to define the penny capitalist as a working person who went into business on a small scale; aimed for profit (but faced the possibility of loss); and assumed responsibility for every facet of the enterprise, selling the product of his/her labour rather than the labour itself. Three of these characteristics—that the penny capitalist should operate on a small scale, should assume financial risk in the hope of profit, and should sell the product of his/her labour—are, it is hoped, relatively straightforward and uncontroversial. The other two characteristics—that the penny capitalist should be working-class, and should assume responsibility for every facet of the enterprise—are, it is clear, anything but straightforward and uncontroversial.

The class identity of many social groups is, of course, notoriously difficult to determine. Indeed, the definition of the working class that is used in this article will not, perhaps, find a great deal of favour. The working class is defined here as all those engaged in low-status, manual occupations—whether as wage-earners, as subsistence workers, or as self-employed workers—who did not employ others to work for them. Thus working-class status is ascribed not only to such unambiguously proletarian groups as coalminers and factory workers, but also to many members of groups such as cab drivers and streetsellers, and to many, if not most, members of much larger groups such as fishermen and homesteaders. As *Cotton's Weekly* maintained in 1909, “The farmer when he buys a farm thinks he is acquiring property. As a matter of fact he is buying himself a steady job” (*Cotton's Weekly*, 27 April 1909; also Forcese, 1986; Darroch, 1988).

The independence of many social groups is also difficult to determine. The fishermen of Atlantic Canada present a particular dilemma. In fact, it has been suggested that Maritime merchants exercised so much control over the small fishermen of the region that they enjoyed almost no freedom of action. “It was”, it has been claimed, “an unusual compromise in which capital relinquished control of the

labour process to the direct producers in return for a more quiescent and fragmented workforce” (Antler, 1981, 306; also Neis, 1980, 98, 103, 142, 144). However, it is easy to exaggerate both the extent and the persistence of mercantile control. For the unequal nature of the relationship between merchants and fishermen was not sufficient to deny the latter all power of independent—albeit collective—action: they formed their own mutual protection associations, established a handful of co-operative packing factories, and entered into genuine negotiations with the buyers (*Canadian Grocer*, 23 September, 4 November 1910; *Dominion Shell-Fishery Commission*, 1913, 66).

Nonetheless, profound problems remain. For even if one accepts the validity of the working definition of penny capitalism that is propounded here, it will be seen time and again in the course of the article that penny capitalism remains difficult to identify, and virtually impossible to quantify. As I have explained elsewhere, “The essence of penny capitalism lies in its elusiveness” (Benson, 1983a, 128).

II

It is commonly accepted that small, self-employed producers of all kinds were threatened and undermined by the growing forces of urban, industrial development. Thus according to one late nineteenth-century immigration agent, entrepreneurial opportunities were declining for “the simple reason that capital has become more concentrated, and poor men have not the same chance to enter into competition with capitalists” (*Royal Commission on the Relations of Capital and Labour*, 1889, v, 759).

It is true that the growing number of working people employed in the basic industries of coal, cotton, wool, and iron and steel had few—and declining—opportunities to turn their work skills to their own account. However, other parts of the economy were suited much better to working-class enterprise. Indeed, it is important to appreciate that in all three sectors of the economy, rising demand was met not simply by that concentration of ownership so characteristic of the basic industries, but also by a proliferation of small, and easily overlooked, units of production (*cf.* Samuel, 1977).

Full-time, primary-sector penny capitalism continued to supply commercial and industrial capitalists, and some final consumers, with the raw materials whose production it remained difficult or inconvenient to industrialise. Indeed, penny-capitalist supply remained of some consequence even in heavily capitalised logging and gold

mining; but naturally, it was in those industries least affected by industrialisation—industries like trapping, hunting, fishing and homesteading—that penny-capitalist supply remained of greatest importance. Although any realistic quantification is out of the question, it is possible to make some estimate at least of penny-capitalist activity in an industry such as fishing. If it is assumed (rather conservatively) that three-quarters of the fishermen described in the 1901 census as working on shares or on their own account were working-class, it would mean that there were nearly 43,000 penny-capitalist fishermen in Canada, a figure equivalent to almost two-and-a-half percent of the Dominion's entire recorded workforce (*Census of Canada*, 1901, II, lxxiv–lxxv; 1911, VI, 2–3. See also Newell, 1979).

Full-time, secondary-sector penny capitalism was much less common. Nevertheless, working-class manufacturers adapted to changing patterns of supply and demand by combining manufacture with installation, maintenance and repair. There were most opportunities for full-time (and part-time) enterprise in food and drink preparation, clothing, shoemaking, and metalworking and building (see eg. Kealey, 1980). Thus industrialisation redirected, but did not destroy, the activities of working-class manufacturers and builders, many of whom attempted to protect their interests by edging towards the tertiary sector of the economy.

It will come as no surprise therefore to discover that penny capitalists were at their most active in the tertiary sector of the economy. It seems clear in fact that they made five major types of provision: in transport, entertainment, personal services, financial services and retailing. There survived a plethora of cab drivers, carters, bookmakers, brothel-keepers, laundresses, landladies, hairdressers, money-lenders, pawnbrokers, hawkers, pedlars and small shopkeepers. Indeed, they constituted more than a survival, for their activities were stimulated, rather than inhibited, by industrialisation and urbanisation: they moved into the gaps left by industrialisation, population growth, urbanisation, immigration and the introduction of prohibitory legislation (*Canadian Grocer*, 23 May 1890).

Unfortunately, such claims are easier to make than they are to substantiate satisfactorily. For of course the longer penny capitalism lasted, the more evidence of it is likely to survive. Thus what might appear to be convincing evidence of the survival of penny capitalism in full vigour, may represent only a growing volume of evidence about a stagnant, or declining, form of economic activity. Nonetheless, the evidence is really too compelling to be ignored or explained away:

penny capitalism remained an important, and in the service sector perhaps even an expanding, form of individual and family self-help.

III

The survival of penny capitalism raises issues that are at the centre of much recent work in Canadian social and labour history: the nature of the working-class family; the nature and determinants of working-class consciousness; the effectiveness of working-class organisation; and—the subject here—the extent of, and attitudes towards, working-class economic and social mobility.

An examination of the relationship between penny capitalism and economic and social mobility raises complications both conceptual and empirical. Neither is easily overcome. It is no simple matter to agree on a definition of mobility that takes account both of social and economic movement. It is harder still to distinguish between the advances made by different working-class groups (men and women, skilled and unskilled, immigrants and natives) and, not least, by successive generations of the same family. Thus it is not surprising that in measuring social mobility, historians have generally chosen to use the least inaccessible of the various indicators available to them: that of occupation. Yet the measurement of mobility by means of occupation poses particular difficulties for the historian of penny capitalism. For paradoxically, it seems both to conceal the distinction between wage labour and self-employment or the employment of labour, and to reinforce the conviction that any movement from the former to the latter represented an economic, as well as possibly a social, advance (Kaelble, 1981, 17, 41, 113–4, 128).

It is essential to guard against the seductive myth of the self-made man, and to regard with proper scepticism the well publicised, though quite untypical, stories of dramatic economic and social success. Of course, there were occasional penny capitalists (and others) who achieved the most spectacular advances. For example, Alexander Gibson started work as an axeman in the New Brunswick logging industry before going on to found one of the largest lumber, cotton and railroad complexes in the whole of Canada (Acheson, 1971, 33. Also Santink, 1990). There were many more who achieved some modest success, making enough money to move close economically to the petty bourgeoisie, with whom they explored the same possibilities, shared the same anxieties, and earned a similar sort of living. It is clear in fact that it was retailing and farming and (to a much lesser extent) building, that

offered penny capitalists their best chance both of occupational mobility and of economic success (Kealey, 1980, 110).

Whatever their economic achievements, it was most unusual for penny capitalists to attain any comparable social advance. Some penny-capitalist activities were physically dirty, while others appeared morally dubious. Indeed, penny-capitalist enterprise generally seemed associated too often with strikes, squalor, poverty and various sorts of petty (and not so petty) crime. In fact, it is essential to remember that the move into a service-sector activity such as money-lending, bookmaking or brothel-keeping would often be regarded as downward, rather than upward, mobility. In all events, penny capitalism remained associated less with the independence to which it sometimes aspired, than with the poverty from which it usually emerged.

IV

Nonetheless, caution is again necessary. For the essentially illusory nature of the penny-capitalist ladder of opportunity did not seem to prevent many penny capitalists from believing in the possibility of economic, and even of social, advance. Of course, the study of the relationship because mobility and ideology raises yet further complications. It is difficult to define and measure ideology, and it is quite impossible to isolate the impact that penny capitalism alone had upon popular values and beliefs.

Nevertheless, some generalisation is possible. There is considerable evidence that full-time penny capitalists believed in the possibility of individual advance. Sometimes, of course, they clung to communal values, and sometimes they held ambiguous views about class and mobility. "I do not know what to call myself now", explained a journeyman-turned-penny-capitalist ironfounder from Toronto: "I am not exactly a journeyman and I cannot call myself a boss" (*Royal Commission on the Relations of Capital and Labour*, 1889, v, 172). More often, it seems, full-time penny capitalism tended to encourage an acceptance of the dominant, liberal, free enterprise ideology. Even the least acceptable forms of penny capitalism appeared to foster individualistic values. According to the historian of Toronto prostitution, the prostitute's work "was characterised by a high degree of petty bourgeois individualism. This individualism", she claims, "was most pronounced in prostitutes working outside of the brothels" (Rotenberg, 1974, 54).

Such individualism was more pronounced still on the frontier. In both Nova Scotia and Newfoundland, penny-capitalist fishermen seemed to have remained secretive, competitive and individualistic: "I have placed my \$150 in this trade", explained a Newfoundland fisherman in 1912, "with no dread but with the belief that it will benefit me and my children" (*Fisherman's Advocate*, 31 August 1912; also Antler, 1981, 45). It was very similar in the west of Canada. Cecilia Danysk's detailed study of Alberta farm workers between 1880 and 1930 demonstrates clearly the growing dichotomy between the reality and the ideology of individual mobility. She shows that in 1880, agricultural labourers "were universally perceived, both by themselves and others, in a way that can best be described as apprentice farmers—men who were not members of an agricultural proletariat, but farmers-to-be, aspiring members of the landowning entrepreneurial class". She shows that this perception did not change. "The First World War heralded and accelerated the process of change in the actual position of farmworkers, while allowing the perception of that position to remain unchanged.... They clung to the dream of farm ownership and independence long after the system of farm labour as apprenticeship had broken down" (Danysk, 1981, 14, 73, 111).

It is true that part-time penny capitalists neither sought nor expected to achieve individual or family mobility. Yet many full-time penny capitalists most certainly did. Indeed the more ambitious and successful they were, the more likely they were to believe in the possibility of individual advance. In fact, penny capitalism seemed to reinforce working people's view of the country as a land of opportunity. It was a vision which remained, in the words of the *Western Clarion*, "a splendid narcotic" (*Western Clarion*, 24 October 1913).

V

It is easy, of course, to make grandiose claims for the significance of research that is still to be undertaken. Nonetheless, it does not seem implausible to suggest that the comparative study of penny capitalism might well help to further the understanding of working-class life within, and between, western settler societies such as Canada, Australia and New Zealand (Fry, 1983; Benson, 1983a). Indeed, there are indications already that penny capitalism was by no means unknown in late nineteenth and early twentieth-century Australia. It is striking that in Australia, as in Canada, penny capitalists appear to have been at their most active—or at least most visible—in the tertiary sector of the

economy. It seems, for example, that in Australia, as in Canada, working-class hawkers, pedlars and shopkeepers were common, particularly in the growing urban and suburban areas of the country. The *Grocer of Australasia* suggested in 1906:

Nearly if not quite 50 per cent. of the men who buy the small retail stores offered for sale are men who have worked at some time or other occupation and who have saved enough out of their wages to start them in business. (*Grocer of Australasia*, 28 February 1906. Also New South Wales, *Parliamentary Debates*, 1899, 1, 779, 1, 907–08).

In Australia, as in Canada, working-class shopkeepers performed both social and economic functions, moving into the gaps left by industrialisation, population growth, urbanisation, immigration and prohibitory legislation; and complementing, rather than competing with, larger and more established retailers. For as several contemporary commentators observed, small family shops were often run by “widows, elderly couples and people in poor circumstances” (New South Wales, *Parliamentary Debates*, 1899, 1,904; also 1,779; McEwan 1979, 169). Moreover, as other apparently well informed commentators pointed out,

The smaller shops in the suburbs [of Sydney] get a certain amount of trade because of the convenience of the neighbourhood, and perhaps to a certain extent, from feelings of friendship and kindness. In many cases these little shops, in their humble way, are places of harmless intercourse and social resort after the work of the day. (New South Wales, *Parliamentary Debates*, 1899, 1,910. Also 1,779; 1912, 1,878; Little, 1979; Reekie, 1987).

These are issues that appear worthy of serious and sustained consideration, for the comparative study of penny capitalism seems set to help develop further our understanding of the many contradictions and complexities of working-class (and other) life in late nineteenth- and early twentieth-century Canada, Australia and New Zealand.

VI

The study of penny capitalism is still in its early stages. Yet even the little work that has been done so far confirms the need to examine individual and family attempts at self-help with the same care and concern that have been devoted to communal and collective attempts at working-class improvement. This is not a plea for some Smilesian—Reaganite or Thatcherite—re-interpretation of the past. It is a plea for the continuation, and intensification, of some of the most interesting of

recent developments in economic, social and labour history. It may well be that when this is done, it will show that individual and family attempts at self-help played a crucial, and not always expected, role in determining the nature of working-class life in western settler economies.

* An earlier, and rather different, version of this article was presented to the Conference, “International Perspectives on Self-Help”, University of Lancaster, July 1991. I am grateful for the financial support of the Guild of St George, the Nuffield Foundation, the Twenty-Seven Foundation and the University of Wolverhampton.

WORKS CITED

- Acheson, T. W. 1971. “The Social Origins of Canadian Industrialism: A Study of the Structure of Entrepreneurship”, unpublished PhD thesis, University of Toronto.
- Antler, E.P. 1981. “Fisherman, Fisherwoman, Rural Proletariat: Capitalist Commodity Production in the Newfoundland Fishery”, unpublished PhD thesis, University of Connecticut.
- Apostle, R. and G. Barrett, eds. 1992. *Emptying their Nets: Small Capital and Rural Industrialisation in the Nova Scotia Fishing Industry*. Toronto: University of Toronto Press.
- Benson, J. 1983a. *The Penny Capitalists: A Study of Nineteenth-Century Working-Class Entrepreneurs*. Dublin: Gill and Macmillan.
- . 1983b. “Working-Class Capitalism in Great Britain and Canada, 1867–1914”, *Labour/Le Travailleur*, Vol. 12, 145–54.
- . 1988. “Penny Capitalism and Capitalism in Canada, 1867–1914”, *British Journal of Canadian Studies*, Vol. 3, No. 1, 67–82.
- . 1991. *Entrepreneurism in Canada: A History of “Penny Capitalists”*. Lewiston, Queenston and Lampeter: Edwin Mellen.
- . 1992. “Small-Scale Retailing in Canada”, in J. Benson and G. Shaw, eds. *The Evolution of Retail Systems c. 1800–1914*. Leicester: Leicester University Press.
- Bradbury, B. 1984. “Pigs, Cows, and Boarders: Non-Wage Forms of Survival among Montreal Families, 1861–91”, *Labour/Le Travailleur*, Vol. 14, 9–46.
- . 1989. “Surviving as a Widow in Nineteenth-Century Montreal”, *Urban History Review*, Vol. 17, 148–60.
- Canadian Grocer*. 1890, 1910.
- Census of Canada*. 1901, 1911.
- Cotton's Weekly*. 1909.
- Danysk, C. 1981. “Farm Apprentice to Agricultural Proletarian: The Hired Hand in Alberta, 1880–1930”, unpublished MA thesis, McGill University.
- Darroch, G. 1988. “Class in Nineteenth-Century, Central Ontario: A Reassessment of the Crisis and Demise of Small Producers during Early Industrialisation, 1861–1871”, in G.S. Kealey, ed. *Class, Gender and Region: Essays in Canadian Historical Sociology*. St. John's: Committee on Canadian Labour History.

John Benson

- DeLottinville, P. 1981-82. "Joe Beef of Montreal: Working-Class Culture and the Tavern, 1869-1889", *Labour/Le Travailleur*, Vols. 8 & 9, 9-40.
- Dominion Shell-Fishery Commission*. 1913.
- Fisherman's Advocate*. 1912.
- Forcese, D. 1986. *The Canadian Class Structure*. Toronto: McGraw-Hill Ryerson.
- Fry, E. 1983. "Australian Labour and Labour History", *Labour/Le Travailleur*, Vol. 12, 113-35.
- Grocer of Australasia*. 1906.
- Kaelble, H. 1981. *Historical Research on Social Mobility: Western Europe and the USA in the Nineteenth and Twentieth Centuries*. London: Croom Helm.
- Kealey, G.S. 1980. *Toronto Workers Respond to Industrial Capitalism, 1867-1892*. Toronto: University of Toronto Press.
- Lacelle, C. 1982. "Les domestiques dans les villes canadiennes au XIXe siècle: effectifs et conditions de vie", *Histoire sociale/Social History*, Vol. XV, No. 29, 181-207.
- Little, B. 1979. "Retail Trade and Distribution in Sydney, 1880-1914", unpublished PhD thesis, University of Sydney.
- McEwan, E.M. 1979. "The Newcastle Coalmining District of New South Wales, 1860-1900", unpublished PhD thesis, University of Sydney.
- Neis, B. 1980. "A Sociological Analysis of the Factors Responsible for the Regional Distribution of the Fishermen's Protective Union of Newfoundland", unpublished MA thesis, Memorial University of Newfoundland.
- Newell, D., ed. 1989. *The Development of the Pacific Salmon-Canning Industry: A Grown Man's Game*. Montreal and Kingston: McGill-Queen's University Press.
- New South Wales. 1889, 1912. *Parliamentary Debates*.
- Reekie, G. 1987. "Sydney's Big Stores, 1880-1930: Gender and Mass Marketing", unpublished PhD thesis, University of Sydney.
- Rotenberg, L. 1974. "The Wayward Worker: Toronto's Prostitutes at the Turn of the Century", in J. Acton, P. Goldsmith and B. Shepard, eds. *Women at Work: Ontario, 1850-1930*. Toronto: Canadian Women's Educational Press.
- Royal Commission on the Relations of Capital and Labour*. 1889.
- Samuel, R. 1977. "The Workshop of the World: Steam Power and Hand Technology in Mid-Victorian Britain", *History Workshop*, Vol. 3, 6-72.
- Santink, J.L. 1990. *Timothy Eaton and the Rise of his Department Store*. Toronto: University of Toronto Press.
- Western Clarion*. 1913.