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Wooden buildings were not the only way in which the structure of Sydney was vulnerable. One day a man named Ryan came to town. He lounged around, said little, people watched him. He gave a few hints. Next day he was gone. The headlines rumoured that J. P. Morgan's syndicate had taken over the steel company. The Daily Record tried to keep a lid on Sydney, but the panic showed through. It seemed reasonable that Morgan would want DISCO, especially after Moxham's extraordinary speech before the Canadian Manufacturing Association at the Board of Trade in Toronto. Moxham (vice-president and general manager of the company) said, regarding Pittsburgh steel which was then controlling the world market, "after careful checking of his figures he found that Cape Breton could export steel to Europe at \$6 per ton less than Pittsburgh. This gave the company control of the export trade." According to Moxham's figuring, cost at Pittsburgh was \$3.57 a ton plus \$2 more to get it to tidewater--\$5.57 a ton. "Cost of assemblage at Sydney is 79% a ton, and steel is then at tidewater. Further, Sydney is 1000 miles nearer to the world markets than the seaport which Pittsburgh must use." Moxham continued: "There will be room for more steel works.... Another year will convince Canadian capital that the time for doubting is gone. We need no further halting steps, but a stronger, firmer stride; we need no speculation or hesitation, but a bolder reaching out for the harvest that BUSINESS PEOPLE You Can Talk To If you are considering starting a new business or expanding your present operation, find out how we can help. We have 11 regional offices staffed with knowledgeable business people who can access both the public and private sector programs and services available to you. If you are facing a challenge in financing, marketing or in any other aspect of business management, call us and explore how your business can reach its full potential. Nova Scotia "r" Department of " Development Bill Butler District Manager Business Expertise In Your Neighborhood (50) LHC Building 295 Clarlctte Street Sydney, NovaScotia B1P1G6 564-8241 lays ripening at our feet. It is there; it is ours. We have only to gather it." The Daily Record rammed the point home: "This means that Cape Breton will control the market of the world.... We may be sure that Mr. Moxham would not give utterance to so large a prophesy unless he felt perfectly sure of his ground." Which led the paper into further prophesies: Another sign... is the probability that the head offices of both Dominion Coal and DISCO companies will be removed to Sydney.... Such a great centralization of capital would naturally attract other activities. In time Sydney would control all Cape Breton industries of any importance and of large capital, and many maritime and national concerns, no matter in what part of the country the works were situated.... In time, Sydney would gradually absorb the financial interests of the Lower Provinces and perhaps Newfoundland.... Sydney should not only attract capital, but the enterprise of the country as well.... Young men will come from all parts of the country in quest of fortune.... That Sydney is regarded somewhat in this light is already evident. They (other newspapers) account the transformation to the



presence of the works alone.... Perhaps as important will be the transfer of the head office, and much more of Mr. Whitney's immense financial interests, to Sydney.... Sydney will acquire a double importance as far as DISCO is concerned, which would then become a purely Cape Breton enterprise from top to bottom. But to get back to Mr. Moxham's speech and Sydney's vulnerability. The Toronto Globe called the speech "sound as it was undoubtedly in the best sense sensational." But the Industrial Advocate said, "It must be confessed that we do not share Mr. Moxham's opinion that his plant can produce iron at a price so greatly below that of other famous districts.... A difference of \$6 a ton if it could be realized would soon give Cape Breton a monopoly of the iron-producing trade of the world...." But Sydney believed it. And that's where the rumour of the takeover broke out: "EXTRA--Steel Deal Accomplished-- The Morgan trust now controls the plant.... At 5 p.m. on Saturday the deal was completed.... It was given out by Mr. Ryan and is without doubt authentic." Interviews with various commercial people in Sydney drew assurances that it made no difference, the plant would probably continue, there was no need for alarm. But there clearly was alarm. Again and again, via letter and telegram and in interviews, Whitney had to assure Sydney he had not abandoned them. "The question has taken hold of the 'streets' and is now discussed to the exclusion of all others." By the next day the Daily Record had recovered its accustomed composure and scolded the local reader for the "mild panic in which