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Résumé de l'article

À la fin du XIX^e siècle et au début du XX^e, dans toutes les régions du Canada, les administrations municipales encourageaient le développement économique local par divers moyens. Ce genre de promotion, qu'on a appelé en anglais *boosterism*, n'a pas généralement été étudié au Québec cependant. Influencés par le stéréotype voulant que les Canadiens français se soient opposés à l'intervention des gouvernements pour promouvoir l'essor économique, la plupart des auteurs ont simplement conclu que le *boosterism* n'existait pas au Québec. Une analyse plus attentive révèle une situation tout à fait différente. En réalité, les administrations municipales ont eu recours à une variété de moyens pour promouvoir le développement local avec les ressources limitées dont elles disposaient. Ces efforts étaient généralement déployés par des hommes d'affaires francophones qui voyaient la croissance de leur ville contribuer à leur propre fortune.

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Résumé/Abstract

À la fin du XIX^e siècle et au début du XX^e, dans toutes les régions du Canada, les administrations municipales encourageaient le développement économique local par divers moyens. Ce genre de promotion, qu'on a appelé en anglais boosterism, n'a pas généralement été étudié au Québec cependant. Influencés par le stéréotype voulant que les Canadiens français se soient opposés à l'intervention des gouvernements pour promouvoir l'essor économique, la plupart des auteurs ont simplement conclu que le boosterism n'existait pas au Québec. Une analyse plus attentive révèle une situation tout à fait différente. En réalité, les administrations municipales ont eu recours à une variété de moyens pour promouvoir le développement local avec les ressources limitées dont elles disposaient. Ces efforts étaient généralement déployés par des hommes d'affaires francophones qui voyaient la croissance de leur ville contribuer à leur propre fortune.

During the late nineteenth and early twentieth centuries, it was common for municipal governments across Canada to promote local economic growth through a variety of means. This process of promotion, which has come to be known as boosterism, has not generally been studied in Quebec, however. Owing to the continued power of the stereotype that saw French Canadians opposed to the use of government to promote economic development, most writers have simply concluded that boosterism was non-existent in Quebec. A closer analysis reveals an entirely different situation. In spite of limited resources municipal governments employed a variety of means to boost local development. These efforts were generally championed by local francophone businessmen who could see their own fortunes enhanced by the growth of their towns.

I

The second half of the nineteenth century was a period of profound social and economic change for Quebec, as it went from being an overwhelmingly rural society to one with growing numbers of residents living in cities. Paralleling this migration to the urban areas was the rise of large-scale industry and the development of a system of railways. Although the French Canadian population of Quebec provided the labour for the burgeoning factories, historical writing has traditionally failed to see francophone leaders in positions of importance in facilitating these changes in either the private or public sector. This traditional conception pictured a French Canadian élite that was closely tied to the church, that preached the value of life on the farm, and that scorned the use of government to encourage economic change.¹

This view of late nineteenth-century Quebec has largely been revised in the past decade. In terms of the role played in the Quebec economy by francophone entrepreneurs, several works have indicated cases of major successes and have suggested that the shortcomings of these entrepreneurs lay more in their inability to secure capital than in their longing for an idyllic pastoral life.² Several other works have reinterpreted the role of the provincial government in economic life, seeing it as highly involved.³

There has also been the appearance of several isolated works that have tried to reinterpret the role of municipal governments as agents of economic change.⁴

There has not been any attempt, however, to provide an overall assessment of Quebec municipalities in this half century of economic change. By contrast, in English Canada a school of thought has emerged that has stressed the place of municipal governments as boosters of the local economy.⁵ "Boosterism" was most visible in the economic incentives made available to industries and railroads by municipalities. The leaders of such towns possessed what Alan Artibise has called a "booster mentality." This state of mind "was made up of a web of beliefs and attitudes including a belief in the desirability of growth and material success and a desire to encourage growth at the expense of virtually all other considerations." Most importantly, however, this mentality also included "a belief in the special role of local government in fostering urban growth."⁶

By contrast, in the traditional view of Quebec history municipal government has hardly been seen as actively boosting local development. Rather, the picture most often painted is of a general disdain on the part of French Canadians for making good use of local government. This interpretation goes back at least to 1887 when John George Bourinot, in his *Local Government in Canada*,

II

found that French Canadians had never appreciated the possible ways in which municipal government could be used. The autocratic nature of French rule had denied these people the opportunity to manage their own affairs and in the long run "any spirit of local enterprise" had been repressed.⁷ The deficiencies of municipal government in Quebec were similarly stressed by R. Stanley Weir in a 1907 study and by K. Grant Crawford in a more recent study. Crawford notes, "In Upper Canada we find a long and bitter struggle on the part of the people endeavoring to wrest from a reluctant government the right of local self-rule and, on the other hand, in Lower Canada a refusal on the part of the people to utilize a system of local self-government."⁸

This interpretation has most recently been developed by Albert Faucher in a 1973 work. He noted, for example, the aid provided by Ontario municipalities to railway construction. Faucher marvelled at "la participation financière de certains villages, villes, comtés et townships à la construction de cet énorme réseau de chemin de fer."⁹ By contrast, "Québec n'offre rien de comparable dans ce domaine du développement."¹⁰ Like his predecessors Faucher explained the difference in behaviour between the two provinces in terms of the attitude of the French Canadian élite. Conservative, and not fully committed to the development of an urban-industrial society, this élite had failed, in Faucher's eyes, to develop the province's municipal institutions in the same way that it had failed to succeed in private business.¹¹

Francophone Quebec's traditional élite, made up of the clergy and men in the liberal professions, was forced to share the stage with a new generation of businessmen by the second half of the nineteenth century. Paul-André Linteau has described these men as members of the "moyenne bourgeoisie" since the scope of their operations was limited, often by an inaccessibility to capital.¹² With this restricted focus, however, they often identified strongly with the town in which their business interests were concentrated and took a lively interest in municipal affairs. Two such men were Alphonse Desjardins of Maisonneuve and Georges-Casimir Dessaulles of Saint-Hyacinthe. The former had extensive land holdings in Maisonneuve, while the latter owned a major industry and was president of a bank in Saint-Hyacinthe. Both went on to active careers in municipal politics in which they stressed the need for policies to boost the local economy. Through an examination of the structure and function of municipal government in Quebec during the second half of the nineteenth century, this study will indicate that the boosterism of Desjardins and Dessaulles was widely accepted. There were limits upon the extent to which any Quebec municipality could boost local economic activity, but these limits were usually set by economic factors and had little to do with any lack of willingness by local leaders to promote growth.

Although comparisons between the Quebec and Ontario municipal systems have generally been to the detriment of the former, an analysis of the evolution of municipal structures in the two provinces forces one to take a more positive view of developments in Quebec. To begin such an analysis, it is necessary to return to the immediate aftermath of the rebellions of 1837. In his report of the causes for the rebellions in the Canadas, Lord Durham noted the primitive state of municipal institutions in both Upper and Lower Canada.¹³ He called for "the establishment of a good system of municipal institutions" without addressing his appeal to Quebec any more than to Ontario.¹⁴ His criticism was fair in terms of both colonies. In Lower Canada prior to the rebellions only two cities, Montreal and Quebec, had been incorporated, and neither of the charters had been renewed in 1836 owing to the political turmoil of the period. Moreover, there was no great enthusiasm for the establishment of local governments which might impose new taxes.¹⁵ No greater enthusiasm was shown for the creation of new governments that could tax in Upper Canada, but because the division of customs revenues between the Canadas favoured the predominantly French colony it was necessary for Upper Canada "to establish a system of local assessments and to leave local works to the energy and means of the localities themselves."¹⁶ Nevertheless, by 1837 only a handful of Upper Canadian municipalities were self-governing and capable of carrying out public works.¹⁷

The development of municipal institutions only began in earnest in 1840 when an attempt was made to impose a uniform system of local government upon the two Canadas. Districts were established and residents were to elect representatives to a council. The power of this council was limited, however, by the ability of the district warden, appointed by the provincial government, to veto any act passed by the council. Opposition to this system quickly materialized in both the Canadas. In line with the Bourinot school of thought, an Ontario royal commission examining municipal institutions later viewed the Lower Canadian protest as based upon the inability of the French Canadians "to comprehend the advantages of controlling their own affairs."¹⁸ In both of the Canadas, however, the protest was directed against the considerable power of the warden. Both francophones and anglophones sought control of local government. The warden of the overwhelmingly French Canadian district of Saint-Hyacinthe reported after the first meeting of the district council: "At the opening of the session resolutions were passed as in other districts declaring that the Warden ought to be elected by the people and a desire was manifested to abridge as much as possible the power and rights of the Warden."¹⁹ Similarly, the council of the Richelieu district, which included the town of Sorel, complained that the warden system would serve to inhibit "les progrès et à

gêner la liberté des citoyens. Les pouvoirs accordés au gouvernement de cette corporation sont entièrement contraires aux attributions dues à tous corps électifs.”²⁰

In both Canada East and Canada West these protests resulted in the replacement of the warden system by new structures based upon the principle of local self-government. The new system for Upper Canada was spelled out in the Baldwin Act of 1849. The large districts were replaced by smaller counties which were to be run by popularly elected officials. Within each county there were to be a number of types of municipalities, cities, towns, villages, and townships, which were also self-governing and chose the representatives to sit on the county council. By 1855 a similar system had been implemented in Canada East, although the process of change was somewhat more complicated than in Canada West. In 1845 the districts were abolished, and each parish and township was established as a municipality with an elected council. This new system faltered, however, because no mechanism was established so that parishes within a particular region might work together. Although Crawford believed that the objections to the 1845 system were based upon the tensions between the French and the English of Canada East, the objections were actually based upon the realization that numerous small municipalities could not encourage economic growth.²¹ The Saint-Hyacinthe district council feared the implementation of this system as it would only be “défavorable au développement du pays.” The tiny municipalities would have neither “la capacité” nor “l’influence morale nécessaire pour faire fonctionner avec avantage dans leurs localités respectives une institution nouvelle.”²² In 1847 these small units were abolished and counties were established. Although the county councils could deal with larger regional questions, they had difficulty in handling more local questions. Finally, a two-tier system comparable to that in Canada West was put into operation in 1855.

Thus, by the middle of the nineteenth century, local leaders in both Ontario and Quebec had fought for and obtained systems of municipal government in which they were largely free to run their own affairs. Little that occurred during the second half of the century changed this situation. In Ontario individual municipalities did not possess their own charters. Rather, all municipalities were governed by a general municipal code. Nevertheless, this code was so liberal in the powers it conferred upon the municipalities that the provincial government would only interfere in exceptional cases.²³ When the Ontario government attempted in 1892 to prohibit the granting of bonuses to industries, the municipalities responded by seeking special legislation to have this prohibition set aside on forty-three occasions between 1894 and 1900.²⁴

In Quebec the municipalities had at least as much freedom as local governments in Ontario, but perhaps more

importantly local leaders zealously fought to maintain this autonomy. While there were several pieces of general municipal legislation passed in Quebec between 1850 and 1900, none of them were applicable to cities and towns which had obtained individual charters. By 1902, forty-seven municipalities had secured their own charters. Thus, for instance, Saint-Hyacinthe was established by statute as a town in 1850 and as a city in 1857.²⁵ In each case, local leaders made a list of the powers they sought for the municipality and gained the sanction of provincial authorities. As the city grew, it regularly returned to the legislature for amendments to the charter to expand its powers, and normally the legislature complied. The municipalities of Quebec were so used to this pattern of provincial non-interference in their affairs that when it was suggested in 1900 that the Quebec government might pass legislation to tie their hands in the granting of bonuses to industries a largely negative response resulted. For instance, the mayor of Saint-Césaire, who did not approve of the practice of granting bonuses to manufacturers, objected to the proposed bill because it would violate the principle of municipal autonomy.²⁶

This spirited defence of municipal autonomy in Quebec stands in stark contrast to the assumptions of those such as Bourinot who found nothing but lethargy among French Canadians when it came to the issue of municipal government. Nevertheless, upon examining the precise way in which the municipalities of the two provinces used these powers to boost local economic activity, it will still appear in certain cases that Ontario municipalities were considerably more active. This situation was caused by a variety of factors, most of which were economic.

Quebec municipalities that sought to boost the local economy often faced the problem of a lack of sufficient funds. In both Quebec and Ontario the basic source of municipal revenue was the property tax, but this source generally yielded greater funds in the latter province than in the former. Comparable data are not available for all of the cities and towns of the two provinces, but an analysis of the resources available to five medium-sized cities in each province highlights the Quebec dilemma.²⁷ As Table 1 indicates, Saint-Hyacinthe and Belleville had comparable populations in the 1890s, but Belleville raised almost six times as much revenue from its property tax as Saint-Hyacinthe.

Some authors, most of whom would subscribe to the proposition that Quebec municipal governments were moribund institutions, have argued that this lack of revenue was linked to a general disdain for the taxation of property. Solomon Vineberg, for instance, has noted that Quebec stood apart from Ontario in its failure to tax personal property as well as real estate. He found that “the French Canadian majority has always been opposed to direct taxation in any form and has regarded with disfavor

TABLE 1
Funds from Property Taxes: Selected Cities, 1896

City	Population (1901)	Assessed Value of Taxable Property \$ million	Tax Per \$100 Assessed	Tax Revenues	Taxes Per Capita
Quebec					
Sherbrooke	11,765	\$3.9	\$1.20	\$46,800	\$3.97
Saint-Hyacinthe	9,210	2.3	.50	11,500	1.25
Trois-Rivières	9,881	2.2	.85	18,700	1.09
Sorel	7,057	1.5	.35	5,250	.74
Saint-Jean	4,030	1.5	.75	11,250	2.79
Ontario					
Guelph	11,496	3.7	1.84	68,080	5.90
Belleville	9,117	3.9	1.64	64,350	7.00
St. Catharines	9,946	4.2	1.86	78,120	7.80
St. Thomas	11,485	4.2	1.03	43,260	3.80
Stratford	9,959	4.0	1.45	58,000	5.80

SOURCES: *Census of Canada*, 1901; E.J. Barbeau, "Dettes des villes de la province de Québec," *La Revue nationale*, Vol. III, No. 3 (February 1896), p. 14; Quebec, *Sessional Papers*, 1897, No. 20; Ontario, *Sessional Papers*, 1894, No. 117; 1896, No. 68; 1901, No. 48.

any move towards an extension of the system so as to include all classes of property."²⁸ In fact, however, the inclusion in 1853 of the taxation of personal property added relatively little to the budgets of Ontario municipalities. The exemptions granted to various classes of personal property were so extensive as to lead to the abandonment of the tax shortly after the turn of the century.²⁹ In Belleville in 1896 the taxation of personal property brought in only 8 per cent of the revenue from property taxes, or roughly five thousand dollars. This tax rarely brought in more than 15 per cent of the tax revenues for Ontario municipalities.³⁰

Quebec municipalities compensated for the use of this generally ineffectual personal property tax by employing various business taxes. It is curious that Vineberg, who is generally so harsh toward Quebec municipalities, saw the business tax as "a substitute [for the personal property tax] desirable from both the viewpoint of the administrator and of the taxpayer."³¹ As early as 1866 Quebec City imposed a variety of taxes upon business, but one of the most energetic users of this tool was Saint-Hyacinthe whose revenue problems were noted above. In 1870 a series of taxes were imposed upon a wide range of activities so as to provide additional revenue to support industrial develop-

ment. Unfortunately, the taxes resulted in a pronounced movement of business from the city.³² The municipality retreated somewhat, but not completely, from its use of the business tax, and in 1892 *Le Courrier de Saint-Hyacinthe* could be found up in arms over a provincial government action that threatened to strip the city of three thousand dollars per year in business taxes.³³

The Saint-Hyacinthe experience speaks to a certain local spirit to overcome the limitations of the property tax, but these efforts seem to have rarely been directed toward trying to increase the city's revenue from the taxation of real estate. On this issue Vineberg pointed to "the opposition of a large portion of the [Quebec] population to any system which will increase the taxes on land."³⁴ One problem which affected cities such as Saint-Hyacinthe, but which was not faced head on, was the exemption from taxation of land controlled by the church. In Saint-Hyacinthe, for instance, non-taxable property made up one-quarter of the value of all property in 1896. This figure reached 31 per cent in Trois-Rivières and 35 per cent in Sorel.³⁵ By contrast, in 1901 only 4 per cent of the value of all property in Hamilton was tax exempt.³⁶ In Toronto in 1893 the figure reached 15 per cent, but this was largely the result of land controlled by either the pro-

vincial government or the University of Toronto, a situation unlikely to have been mirrored elsewhere in the province.³⁷ Sherbrooke's relatively healthy yield from the property tax was aided by the fact that in 1896 less than 20 per cent of the value of land was exempt from taxation, most likely a result of the less pronounced presence of the Catholic church in a city with a substantial English population. For most Quebec municipalities, however, the issue of church control of land was beyond solution in the context of the late nineteenth century. All that a town such as Saint-Hyacinthe could do was to seek additional funds through other means.

Quebec municipalities also had the option of increasing property tax revenues either through increasing property assessments or through higher rates of taxation. While property was technically assessed at its current cash value, the practice varied from place to place. For instance, it was estimated that Montreal's property was assessed in 1893 at only 75 per cent of its actual cash value.³⁸ As for rates of taxation, it can be seen from Table 1 that the Quebec rates were generally lower than those in Ontario. It is unlikely that the sort of ideological factors noted by Vineberg played a major role in keeping down the receipts of Quebec municipalities from property taxes. Neither my study of four Quebec towns, nor Linteau's study of Maisonneuve, nor Lord's study of Saint-Jean indicates a hesitation to raise funds by any number of means.³⁹

There were, however, practical limitations upon the taxes that could reasonably be borne in these Quebec towns. A centre such as Saint-Hyacinthe was not in the middle of a major agricultural region, nor was it overly attractive to industries because of its distance from both resources and markets. Accordingly, its residents had limited incomes. Tax rates, by contrast, were somewhat higher in towns such as Sherbrooke and Maisonneuve.⁴⁰ The former was located in the midst of a prosperous hinterland and its success in industry was because its English-speaking élite had access to capital. The latter saw its industry develop due to its situation on the eastern boundary of Montreal. For most Quebec towns, however, there was little opportunity to increase tax revenues.

A town could also finance booster activities by entering into long-term borrowing. Once more, however, Quebec municipalities saw their actions limited by the assessed value of their taxable property. As the major Quebec municipalities created their charters during the second half of the nineteenth century, most included clauses that limited their total indebtedness to a percentage of the value of their property. This was not an unreasonable sort of clause to include since most Quebec municipalities operated from modest tax bases and could only hope to repay debt through property tax revenues. The most common limit set special conditions for the contracting of any loan which pushed a municipality's total indebtedness

beyond an amount equal to 20 per cent of its taxable property. The 20 per cent figure was also adopted in the province's general municipal legislation of 1903, which applied only to cities without their own charters.⁴¹ There were some municipalities, however, that saw the 20 per cent figure as too low to permit a wide range of booster activities. Maisonneuve raised its limit from the level of 15 per cent existing in 1883, to 20 per cent in 1893, and to 25 per cent in 1897.⁴² Saint-Hyacinthe's charter was amended in 1888 to facilitate municipal indebtedness beyond the 20 per cent level if the loan was needed for purposes such as the granting "of loans and bonuses to manufacturers."⁴³ By contrast, there was no such debt limit in the general municipal legislation of Ontario at the close of the century.⁴⁴ Apparently, there was some confidence in Ontario that municipal activities could be satisfactorily financed out of regular revenues and from loans that did not unduly strain the tax base. In the absence of any controls, the indebtedness of all Ontario cities in 1894 amounted to only 15 per cent of their taxable property.

Towns in Quebec could seek an increase of their legal borrowing limits as was done in Maisonneuve, but the result in that case was a financial disaster which would have led to bankruptcy had Montreal not annexed Maisonneuve. Most Quebec municipalities tempered their indebtedness out of a recognition of their limited tax resources. The five Quebec towns listed in Table 1 had a total indebtedness that amounted to only 13 per cent of their taxable property.⁴⁵ The result, however, was that Quebec municipalities were forced to operate with less funds than comparable towns in Ontario. Saint-Hyacinthe and Belleville may have had nearly identical populations in 1896, but Saint-Hyacinthe's taxable property was assessed at only 60 per cent of the value of Belleville's. The two cities were carrying roughly the same burden of debt, but it amounted to 18 per cent of the value of taxable property in Saint-Hyacinthe and only 10 per cent in Belleville.⁴⁶ Accordingly, Belleville still had some room to manoeuvre, while Saint-Hyacinthe was flirting with danger.

Financial limitations were not the only restrictions placed upon Quebec municipalities' ability to encourage economic development. Further restrictions become clear upon examining the degree to which municipalities in Ontario and Quebec tapped the Municipal Loan Fund, provided aid to railways and assisted industrial development. These were the three major ways in which municipalities in central Canada boosted local economic activity during the second half of the nineteenth century.

The Municipal Loan Fund was established in 1852 to allow municipalities to carry out major projects by using the credit of the province. Municipalities normally had to pay an interest rate of 8 per cent on loans while the province had to pay only 6 per cent. The idea of the Municipal

Loan Fund was also to make funds available to the local governments at the lower rate. By the time that the last loans from the fund had been made in 1864 almost \$10 million had been distributed to the municipalities, almost three-quarters of which went to Canada West. Since loans were extended to eighty-eight Lower Canadian municipalities and to only forty-six in Upper Canada, the Upper Canadian loans tended to be larger than those extended to Quebec municipalities. Seventy-eight of the Lower Canadian municipalities borrowed less than \$50,000, but almost two-thirds of the Upper Canadian governments involved took more than \$50,000.

Faucher found in the greater use of the fund by Upper Canadian municipalities proof that "dans le Haut Canada les corporations étaient mieux organisées et, commercialement, plus évoluées" than governments in Lower Canada.⁴⁷ Faucher did not take into account, however, the fact that municipalities in the two Canadas did not have equal access to the fund, which was established in 1852 solely for the benefit of Upper Canadian municipalities. Lower Canada did not gain access to it until the act was amended in 1854, and between 1852 and 1854 forty-one Upper Canadian governments borrowed over \$4.7 million. During this period there were no limits upon the amount that a municipality might receive, and each municipality involved borrowed an average of almost \$115,000. When the act was amended in 1854, however, regulations were enacted that prevented any municipality from borrowing more than 20 per cent of the value of its assessed property. Because of the frequently lower valuation of property in Quebec than in Ontario, Ontario municipalities had greater access to the fund than did those in Quebec. Nevertheless, between 1854 and 1864, while local governments in Upper Canada borrowed \$2.6 million, municipalities in Lower Canada drew on the fund for 85 per cent of the Upper Canadian total, or \$2.2 million. Even though the rules of the loan fund had been established in a manner to discourage their participation, Quebec municipalities had made considerable use of the fund.

Faucher has also been critical, however, of the way in which municipalities in Lower Canada used the moneys they received from the Municipal Loan Fund. He praised the Upper Canadian governments for employing their loans for "projets plus vastes et plus ambitieux" than those attempted in Lower Canada.⁴⁸ For example, Ontario municipalities committed almost 81 per cent of the funds they borrowed for promoting railway construction while Quebec municipalities devoted only 38 per cent to railways. Faucher's criticism again ignores the financial straits in which Quebec municipalities found themselves. While Upper Canadian municipalities, which on average took over \$150,000 from the fund, were capable of investing in railway development as well as caring for more mundane concerns such as road repair, Lower Canadian municipalities, with limited access to the fund and

limited tax revenues, had to concentrate on such less spectacular projects. Saint-Hyacinthe used its \$16,000 from the loan fund to build a market and to macadamize its roads. There was interest in the city for assisting a railway with Municipal Loan Fund money, but by then Saint-Hyacinthe had already reached the limits of its borrowing power.⁴⁹ Similarly, Sorel was forced to sink the \$20,000 it borrowed into "améliorations locales."⁵⁰ Of the cities and towns in the province only the north shore communities of Quebec and Trois-Rivières used the fund to aid in railway construction. The other municipalities were either relatively close to Montreal or already in possession of railway facilities so that providing loan fund money for railway development was not an immediate concern.⁵¹

Criticism has also been levelled in more general terms against Quebec municipalities for their failure to promote railway development. Faucher has linked the presence of an "animation populaire" to the emergence of a more developed railway system in Ontario than in Quebec. While "une fièvre ferroviaire avait gagné toute la province d'Ontario... ce facteur n'aurait exercé dans le Canada-Est qu'une influence marginale."⁵² There is no question that municipal aid to railways in the form of bonuses, loans and the purchase of stocks and bonds was greater in Ontario and that the Ontario railway system was more substantial than that in Quebec, but Faucher has once more made the mistake of confusing the inability of Quebec municipalities to aid economic activity with an unwillingness to act in such a manner.

TABLE 2

Municipal Aid to Railways

	Ontario \$ million	Quebec \$ million	Quebec as % of Ontario
1875	\$ 5.5	\$3.7	67
1885	9.6	4.1	43
1895	10.8	4.3	40

SOURCES: Canada, *Sessional Papers*, 1876, No. 51; 1886, No. 13a; 1896, No. 10a.

One of the factors that prevented Quebec municipalities from playing a major role in railway development was their financial problems. In the absence of sufficient municipal resources to aid railway construction in Quebec, it was the provincial government that carried the bulk of the load. By 1897, for instance, the Quebec government had provided four times the assistance to railways that had been provided by Ontario. As the Quebec premier, E.J. Flynn, noted, "Ici c'est le gouvernement provincial qui fait tout ou à peu près tandis que dans Ontario les municipalités portent la plus grande partie du far-

TABLE 3

Railway Development in Miles, Ontario and Quebec

	Ontario	Quebec	Quebec as % of Ontario
1867	1393	575	41
1882	3854	1181	47
1894	6297	3024	48

SOURCES: Canada *Sessional Papers*, 1867-68, No. 73; 1883, No. 8a; 1895, No. 10.

deau.”⁵³ Nevertheless, within the financial constraints imposed upon them, the Quebec municipalities made some effort to promote railway construction. As of December 31, 1894, the cities of Ontario had a total indebtedness of \$33.6 million of which \$2.3, or 6.7 per cent, had been incurred to aid in railway development.⁵⁴ Although data for all Quebec municipalities are not available, the evidence for Sherbrooke, Saint-Hyacinthe, Sorel and Trois-Rivières indicates that 18.3 per cent of the \$1.5 million debt run up by these four towns by the mid-1890s had been incurred to encourage railway construction.⁵⁵

The ability of Quebec municipalities to act in the area of railway development was also limited by the actions of private interests. Despite the fact that Faucher gives the impression at times that railways in Ontario were actually built because of municipal assistance, it is important to remember that this aid formed only a very small percentage of the capital needed. In 1875 municipalities in Canada provided 1.2 per cent of the capital invested in railways, a percentage that had only increased to 1.6 per cent by 1900. Municipal aid accounted for but a small part of the assistance provided by all levels of government; 12.3 per cent of all government assistance in 1875, municipal aid had declined to 7.6 per cent by 1900. The function of municipal assistance was solely to determine the final route of a railway whose general direction had been determined by the private interests providing the bulk of the capital. A case in point is the Lake Champlain and Saint-Lawrence Junction Railway. In 1871 a group of promoters launched the project to build a railway between these two bodies of water. Once this initiative had been taken, the Saint-Hyacinthe municipal government moved into action and offered \$25,000 to guarantee that the railroad would pass through Saint-Hyacinthe. Had private interests not chosen to build a railway in the general direction of Saint-Hyacinthe, then no matter how enterprising the leaders of the city might have been it would have been impossible to provide assistance to the railway. Similarly, Trois-Rivières would have been hard pressed to have provided the \$100,000 that it gave to the North Shore Railway in 1870 had private interests not begun the project.

By 1906 private interests had contributed over \$141 million to railway development in Ontario but only \$75 million in Quebec. Accordingly, Ontario municipalities had far greater opportunity to participate in railway development than did the local governments in Quebec.

In the areas previously discussed, it was necessary to indicate the economic factors that may have limited the scope for action by Quebec municipalities. However, in the final area to be analyzed, municipal aid to industry, Quebec matched Ontario dollar for dollar. It is interesting to note that Faucher made no reference to municipal action in this area. This aid to industry took various forms. Tax exemptions, fixed tax assessments, free grants of land, loans and, most importantly, cash bonuses were provided to manufacturers by municipalities across Canada throughout the second half of the nineteenth century, and in all these areas Quebec was highly visible. It is difficult to compute the cash value of the various incentives other than loans and bonuses. Between 1870 and 1900 Ontario municipalities provided \$914,000 in loans and bonuses.⁵⁶ The data for Quebec for the same period are fragmentary, but based on information from only thirteen municipalities \$950,000 was made available. Undoubtedly, if complete information were at hand, the Quebec total would outstrip that for Ontario by an even greater margin.

TABLE 4

Loans and Bonuses to Industries:
Selected Quebec Towns, 1870-1900

Saint-Hyacinthe	\$239,250
Saint-Jean	205,300
Sherbrooke	133,358
Maisonneuve	83,500
Trois-Rivières	82,500
Lachine	80,000
Longueuil	30,000
Sorel	27,000
Roxton Falls	25,000
Coaticook	20,000
Danville	10,000
Upton	10,000
Lac-Mégantic	5,000
Total	\$950,908

SOURCES: Rudin, "The Development of Four Quebec Towns"; Lord, "Municipal Aid and Industrial Development"; Linteau, *Maisonneuve*, p.105; Tom Naylor, *History of Canadian Business* (Toronto, 1975), II, pp.140-43; *Le Courrier de Saint-Hyacinthe*, August 30, 1890; *Moniteur du Commerce*, October 2, 1891; *Sherbrooke Daily Record*, October 28, 1907.

These figures become all the more striking when the limitations on municipal action already noted are considered. The Quebec municipalities were operating on a more restricted financial base than their Ontario counterparts and often had difficulty in even giving their money away since many firms refused for economic reasons to consider locating in Quebec. In 1895, for instance, Sherbrooke's offer of aid to the McCormick Harvesting Machine Company of Chicago was rejected. The American firm responded, "No doubt your city is well located and has excellent railway facilities but we do not think that we wish to locate as far east as Quebec."⁵⁷ Within these limits, however, Quebec municipalities went out of their way to subsidize industries. After all, although a railroad promoter would make only a minor change in the route of a railway to gain a municipal subsidy, an industrial entrepreneur might locate in a spot with certain disadvantages if the bonus compensated for them. In fact, manufacturers were so willing to change locations to gain bonuses that firms making multiple moves to acquire aid were not uncommon.⁵⁸

Abuses of this sort brought calls for an end to the granting of direct financial aid to industries in both Quebec and Ontario. It is interesting to note, however, that so strong was support for the practice in Quebec that provincial action was much less successful than in Ontario. In 1888 the Ontario legislature passed an act that prohibited granting a bonus to an industry similar to one already established in the town or to any industry already established in the province, and an 1892 act completely eliminated the municipalities' power to provide such aid.⁵⁹ Following the widespread use of special legislation by the municipalities to skirt the prohibitive aspects of the 1892 law, a further bill was passed in 1900 reinstating the 1888 conditions.

By contrast, the movement to ban municipal bonusing in Quebec was not even this successful. In 1899 a bill was passed in Quebec which restricted bonusing in a manner similar to the 1888 Ontario legislation. Bonuses could not be provided to an industry similar to one already in existence in the town or to a firm established elsewhere in the province.⁶⁰ Following upon this legislation, a bill was proposed before the Quebec legislature in 1900 which would have totally outlawed bonusing. This proposal, introduced by J.A. Chicoyne, was referred to a special committee which sought the views of the municipalities on the issue. A questionnaire was sent to each municipality demanding considerable information regarding its use of bonuses and its disposition towards the Chicoyne proposal.

The committee received responses from over 600 mayors. Unfortunately, no more than spotty returns are extant, but these suggest a strong current of opposition to the Chicoyne bill.⁶¹ Chicoyne himself compiled a list of

all the municipalities which favoured his proposal. This list includes the names of only 209 municipalities.⁶² Accordingly, if it is complete, only about one-third of the respondents accepted the proposal. One of the few complete responses found was provided by Saint-Hyacinthe. Not surprisingly, this city, one of the more prolific providers of bonuses, was adamantly opposed to their prohibition. In response to a question asking if such a prohibition was desirable, the city answered, "Non. Pas maintenant. Le pays n'est pas suffisamment développé. Il faut de l'aide et de l'encouragement en bien des cas."⁶³ In a similar vein, the mayor of Maskinongé cited "the advantages and opportunities it [bonusing] afforded to small municipalities which otherwise could not possibly attract industrial concerns, as they were usually unfavourably situated with regards to markets."⁶⁴ The mayor of Cap Saint-Ignace was satisfied with the results that his city's aid to a woollen factory had produced: "The factory employs 15 to 20 people annually, benefits the farmers and sells cheap woollen goods to the people."⁶⁵ Even the support of Montreal for the proposal was insufficient to counter this opposition, and when legislation was passed in 1901 it altered the legislation of 1899 only insignificantly.⁶⁶ The commitment of Quebec municipalities to promote urban growth actively had once more been demonstrated.

III

Between 1850 and 1900 the urbanization of Quebec proceeded at a pace roughly comparable to that of Ontario. The percentage of Quebecers living in urban areas went from 14.9 per cent in 1851 to 36.1 per cent in 1901, while the comparable figures for Ontario were 14 and 40 per cent.⁶⁷ Striking differences do emerge, however, when one looks at the distribution of urban residents among the cities of the two provinces. In Quebec in 1901 almost half of all urban residents lived in Montreal, while Toronto was the home of less than a quarter of all urban Ontarians. Montreal was one of the only major urban centres in Quebec, while Ontario could boast a chain of medium-sized cities. Thus, by 1901 there were twenty-eight cities with populations of more than five thousand in Ontario, but only ten such cities in Quebec.⁶⁸

It is perhaps understandable that given so few important urban centres it has been assumed that boosterism was a dead letter in Quebec. The real causes for the limited number of important centres are to be found, however, in economic factors beyond the control of local leaders. The problems faced by the leaders of Saint-Hyacinthe provide a case in point. Despite the fact that substantial aid had been offered to both industries and railways prior to 1900 in an attempt to stimulate local economic growth, the population of Saint-Hyacinthe was still only 9,894 in 1900. The municipal government experienced some

economic hardships in providing this aid, owing to its limited tax base. However, it was prevented from granting still further aid when certain industries turned down its offers. Saint-Hyacinthe probably only avoided the sort of financial disaster faced by Maisonneuve because of these rejections, which were prompted by the industrialists' perception that Saint-Hyacinthe was too distant from either important natural resources or major markets to be a good location.⁶⁹ Similarly, the Saint-Hyacinthe economy was hampered by a chronic inaccessibility to capital. It was felt throughout this period that the chartered banks were providing less than satisfactory service, a situation which prompted local leaders to establish the Banque de Saint-Hyacinthe in 1873. Similar economic problems were faced by other Quebec towns. Accordingly, it is difficult to place the blame for the restricted growth of these towns upon the local élites.

The leaders of such predominantly French Canadian towns as Saint-Hyacinthe, Saint-Jean and Maisonneuve were boosters in the same mould that has been described in English Canada. These leaders tended to be major businessmen and land-owners who stood to profit from the stimulation of the local economy through the use of the municipal purse. There was nothing particularly noble or altruistic in what they did since they employed public funds to further private interests. Nevertheless, in their actions these men provided further evidence of the existence in late nineteenth-century Quebec of a lay élite fully prepared to use both public and private means to foster economic growth. The limited returns achieved by their efforts were the result of a variety of economic forces beyond their control, and had little to do with their entrepreneurial verve.

NOTES

1. See, for example, P.E. Trudeau, ed., *La grève de l'amiante* (Montreal: Éditions du Jour, 1970), or Michel Brunet, "Trois dominantes de la pensée canadienne-française," in *La présence anglaise et les Canadiens* (Montreal: Beauchemin, 1964), pp. 111-66.
2. Gerald Tulchinsky, *The River Barons: Montreal Businessmen and the Growth of Industry and Transportation, 1837-53* (Toronto: University of Toronto Press, 1977); Paul-André Linteau, "Quelques réflexions autour de la bourgeoisie québécoise, 1850-1914," *Revue d'histoire de l'Amérique française*, Vol. XXX (1976), pp. 55-66.
3. Marcel Hamelin, *Les premières années du parlementarisme québécois* (Quebec: Les Presses de l'université Laval, 1974); Brian Young, *Promoters and Politicians: The North Shore Railway in the History of Quebec, 1853-85* (Toronto: University of Toronto Press, 1978).
4. Ronald Rudin, "The Development of Four Quebec Towns, 1840-1914: A Study of Urban and Economic Growth in Quebec" (Ph.D. thesis, York University, 1977); Kathleen Lord, "Municipal Aid and Industrial Development: Saint-Jean, Quebec, 1848-1914" (M.A. thesis, Concordia University, 1981); Paul-André Linteau, *Maisonneuve, ou comment des promoteurs fabriquent une ville, 1883-1918* (Montreal: Boréal Express, 1981).
5. See, for instance, the various articles in Alan F.J. Artibise, ed., *Town and City: Aspects of Western Canadian Urban Development*

- (Regina: Canadian Plains Research Center, 1981). See also Artibise, *Winnipeg: A Social History of Urban Growth, 1874-1914* (Montreal: McGill-Queen's University Press, 1974) and "Continuity and Change: Elites and Prairie Urban Development, 1914-1950," in Artibise and Gilbert Stelter, eds., *The Usable Urban Past* (Toronto: Macmillan, 1979), pp. 130-54; John Weaver, "Elitism and the Corporate Ideal: Businessmen and Boosterism in Canadian Civic Reform, 1890-1920," in A.R. McCormack and Ian McPherson, eds., *Cities in the West* (Ottawa: National Museums of Canada, 1975), pp. 48-73.
6. Artibise, "Continuity and Change," p. 131.
7. John George Bourinot, *Local Government in Canada* (Baltimore: Johns Hopkins University Press, 1887), pp. 10-11, 26.
8. R. Stanley Weir, "Municipal Institutions in the Province of Quebec," in S. Morley Wickert, ed., *Municipal Government in Canada*, University of Toronto Studies in History and Economics, No. 2 (Toronto: University of Toronto, 1907); K. Grant Crawford, *Local Government in Canada* (Kingston, n.d.), p. 16.
9. Albert Faucher, *Québec en Amérique au XIX^e siècle* (Montreal: Fides, 1973), p. 138.
10. *Ibid.*, p. 103.
11. *Ibid.*, p. 225.
12. Linteau, "Quelques réflexions."
13. Gerald Craig, ed., *Lord Dufferin's Report* (Toronto: McClelland and Stewart, 1973), pp. 67, 100. Note that although the terms Lower Canada and Upper Canada technically correspond to Quebec and Ontario between 1791 and 1840 and Canada East and Canada West are correct for the period 1840 to 1867, these names are used interchangeably in several places in the text.
14. *Ibid.*, p. 145.
15. Solomon Vineberg, *Provincial and Local Taxation in Canada* (New York: Columbia University, 1912), p. 35.
16. *Ibid.*
17. J.H. Aitchison, "The Municipal Corporations Act of 1849," *Canadian Historical Review*, Vol. XXX (1949), p. 108.
18. Ontario, *Sessional Papers*, 1889, No. 3.
19. Public Archives of Canada (hereafter PAC), Provincial Secretary's Papers, Vol. VI, Letter dated December 11, 1841.
20. *Ibid.*, September 11, 1841.
21. Crawford, *Local Government in Canada*, p. 31.
22. PAC, Provincial Secretary's Correspondence, Letter dated November 22, 1844.
23. Ontario, *Sessional Papers*, 1888, No. 42.
24. Ontario, *Statutes*, 1894-1900.
25. Canada, *Statutes*, 13-14 Vict., Cap. 105, 1850; 20 Vict., Cap. 131, 1857.
26. *Le Courrier de Saint-Hyacinthe*, February 27, 1900.
27. The Quebec municipalities were notorious for their failure to submit reports to the provincial government. In 1890, for instance, 226 municipalities failed to report. See Quebec, *Sessional Papers*, 1891, No. 25.
28. Vineberg, *Taxation in Canada*, p. 38.
29. J. Harvey Perry, *Taxes, Tariffs and Subsidies* (Toronto: University of Toronto Press, 1955), p. 133.
30. Ontario, *Sessional Papers*, 1896, No. 68.
31. Vineberg, *Taxation in Canada*, p. 48.
32. Quebec, *Statutes*, 34 Vict., Cap. 39, 1870; *Le Pionnier*, April 21, 1871.
33. *Le Courrier de Saint-Hyacinthe*, February 23, 1893.
34. Vineberg, *Taxation in Canada*, pp. 101-2.
35. Quebec, *Sessional Papers*, 1897, No. 20.
36. Ontario, *Sessional Papers*, 1901, No. 48.
37. *Ibid.*, 1813, No. 73.
38. *Ibid.*
39. See Rudin, "The Development of Four Quebec Towns"; Linteau, *Maisonneuve*; Lord, "Municipal Aid and Industrial Development."
40. Maisonneuve's tax rate was \$1.05 per \$100.00 of assessed property.

41. Quebec, *Statutes*, 3 Ed. VII, Cap. 38, 1903.
42. Linteau, *Maison neuve*, p.224.
43. Quebec, *Statutes*, 51-52 Vict., Cap. 83, 1888.
44. Ontario, *Revised Statutes*, 1897.
45. The figures for the five cities were: Sherbrooke, 7 per cent; Saint-Hyacinthe, 18 per cent; Trois-Rivières, 22 per cent; Sorel, 21 per cent; Saint-Jean, 6 per cent.
46. The debt of Saint-Hyacinthe was \$423,000 and that of Belleville \$411,000.
47. Albert Faucher, *Histoire économique et unité canadienne* (Montreal: Fides, 1970), p.91.
48. *Ibid.*
49. *Le Courrier de Saint-Hyacinthe*, July 1, 1858.
50. *Gazette de Sorel*, August 13, 1857.
51. Canada, Province of, *Sessional Papers*, 1865, No. 1.
52. Faucher, *Québec en Amérique*, p.65.
53. E.J. Flynn, *Chemins de fer dans la province de Québec* (Quebec, 1897), pp.66-67. By 1897 the Quebec government had contributed \$24,508,000 to railways and the Ontario government \$6,747,178.
54. Ontario, *Sessional Papers*, 1896, No. 68.
55. J. Roy Perry, *Public Debt in Canada*, University of Toronto Studies in History and Economics, No. 1 (Toronto: University of Toronto, 1898), pp.79-80.
56. Ontario Archives, Unprinted Sessional Paper, 1900, No. 69.
57. Archives nationales du Québec (Sherbrooke Regional Centre), Sherbrooke Board of Trade Collection, Letter received March 2, 1895.
58. Naylor, *History*, II, pp.140-43.
59. Ontario, *Statutes*, 51 Vict., Cap. 28, 1888; 55 Vict., Cap. 43, 1892. For a fuller analysis of the legal framework within which Ontario bonusing took place, see E. Bloomfield, "Municipal Bonusing of Industry: The Legislative Framework in Ontario to 1930," *Urban History Review*, Vol. IX (February 1981), pp.59-76.
60. Quebec, *Statutes*, 62 Vict., Cap. 41, 1899.
61. Although the *Journals* of the Quebec Legislative Assembly (March 13, 1900) indicate that these responses were to be conserved in the archives, no trace of them has been found despite repeated efforts. Nor for that matter have any of the major municipalities, with the exception of Saint-Hyacinthe, conserved copies of their responses.
62. Archives du séminaire de Saint-Hyacinthe, Fonds Chicoyne.
63. Archives de la cité de Saint-Hyacinthe, Response dated February 14, 1900.
64. *Montreal Star*, February 1, 1900.
65. *Ibid.*, February 17, 1900.
66. Quebec, *Statutes*, 1 Ed. VII, Cap. 28, 1901.
67. Leroy Stone, *Urban Development in Canada* (Ottawa: Dominion Bureau of Statistics, 1967), p.29.
68. Louis Trottier, "Genèse du réseau urbain du Québec," in Marc-André Lessard and Jean-Paul Montmigny, eds., *L'urbanisation de la société canadienne-française* (Quebec: Les Presses de l'université Laval, 1967), p.27.
69. Archives de la cité de Saint-Hyacinthe, Letter to city from Hudson's Bay Knitting Company, May 17, 1906; Letter from Riverside Shoe Company, October 26, 1909.