

Nineteenth Century Corporate Welfare: Municipal Aid and Industrial Development in Saint-Jean, Quebec, 1848-1914

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Résumé de l'article

Au Québec, à la fin du 19^e siècle et au début du 20^e, plusieurs municipalités tentent par divers moyens de faire partie du réseau ferroviaire et d'attirer des industries et Saint-Jean ne fait pas exception à la règle. Investissements, prêts, subventions, concessions de terrains, exemptions de taxes et autres avantages constituent les principaux appâts mis de l'avant par les dirigeants municipaux. Dans le cas de Saint-Jean, à l'instar d'autres villes, les avantages offerts aux entreprises ne produisent que peu de retombées favorables sur l'économie locale et notamment sur le secteur industriel.

Cet article vise à éclairer le rôle des élites locales. Il appert que la concurrence d'autres centres urbains plus prospères et la faiblesse économique de Saint-Jean constituent les facteurs principaux qui ont motivé l'action de ses dirigeants. Jusqu'aux années 1870, Saint-Jean est un centre florissant axé sur le négoce canado-américain, mais la construction du Grand Tronc, amorcée en 1850, entraîne le déclin des activités économiques de la ville. Les hommes d'affaires locaux essaient donc de relancer l'économie en favorisant le développement du secteur industriel par l'octroi de généreuses allocations municipales. Toutefois, la plupart de leurs efforts s'avèrent vains en raison de la situation défavorable de la ville.



Bird's-Eye View of St. John's, P.Q., 1881.

SOURCE: National Map Collection, Public Archives of Canada. NMC 1951.

Vue à vol d'oiseau de Saint-Jean, P.Q., 1881.

SOURCE: Collection nationale de cartes et plans, Archives publiques du Canada. NMC 1951.

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Au Québec, à la fin du 19^e siècle et au début du 20^e, plusieurs municipalités tentent par divers moyens de faire partie du réseau ferroviaire et d'attirer des industries et Saint-Jean ne fait pas exception à la règle. Investissements, prêts, subventions, concessions de terrains, exemptions de taxes et autres avantages constituent les principaux appâts mis de l'avant par les dirigeants municipaux. Dans le cas de Saint-Jean, à l'instar d'autres villes, les avantages offerts aux entreprises ne produisent que peu de retombées favorables sur l'économie locale et notamment sur le secteur industriel.

Cet article vise à éclairer le rôle des élites locales. Il appert que la concurrence d'autres centres urbains plus prospères et la faiblesse économique de Saint-Jean constituent les facteurs principaux qui ont motivé l'action de ses dirigeants. Jusqu'aux années 1870, Saint-Jean est un centre florissant axé sur le négoce canado-américain, mais la construction du Grand Tronc, amorcée en 1850, entraîne le déclin des activités économiques de la ville. Les hommes d'affaires locaux essaient donc de relancer l'économie en favorisant le développement du secteur industriel par l'octroi de généreuses allocations municipales. Toutefois, la plupart de leurs efforts s'avèrent vains en raison de la situation défavorable de la ville.

In the latter part of the nineteenth and early twentieth centuries, municipalities throughout Quebec used various means to attract railways and industries to their locality. Saint-Jean was no exception. The incentives its municipal leaders employed included investments, tax exemptions, loans, bonuses, land grants and other concessions. As was often the case in other towns and cities, the stimuli Saint-Jean offered had little favourable effect on the local economy, particularly the industrial sector.

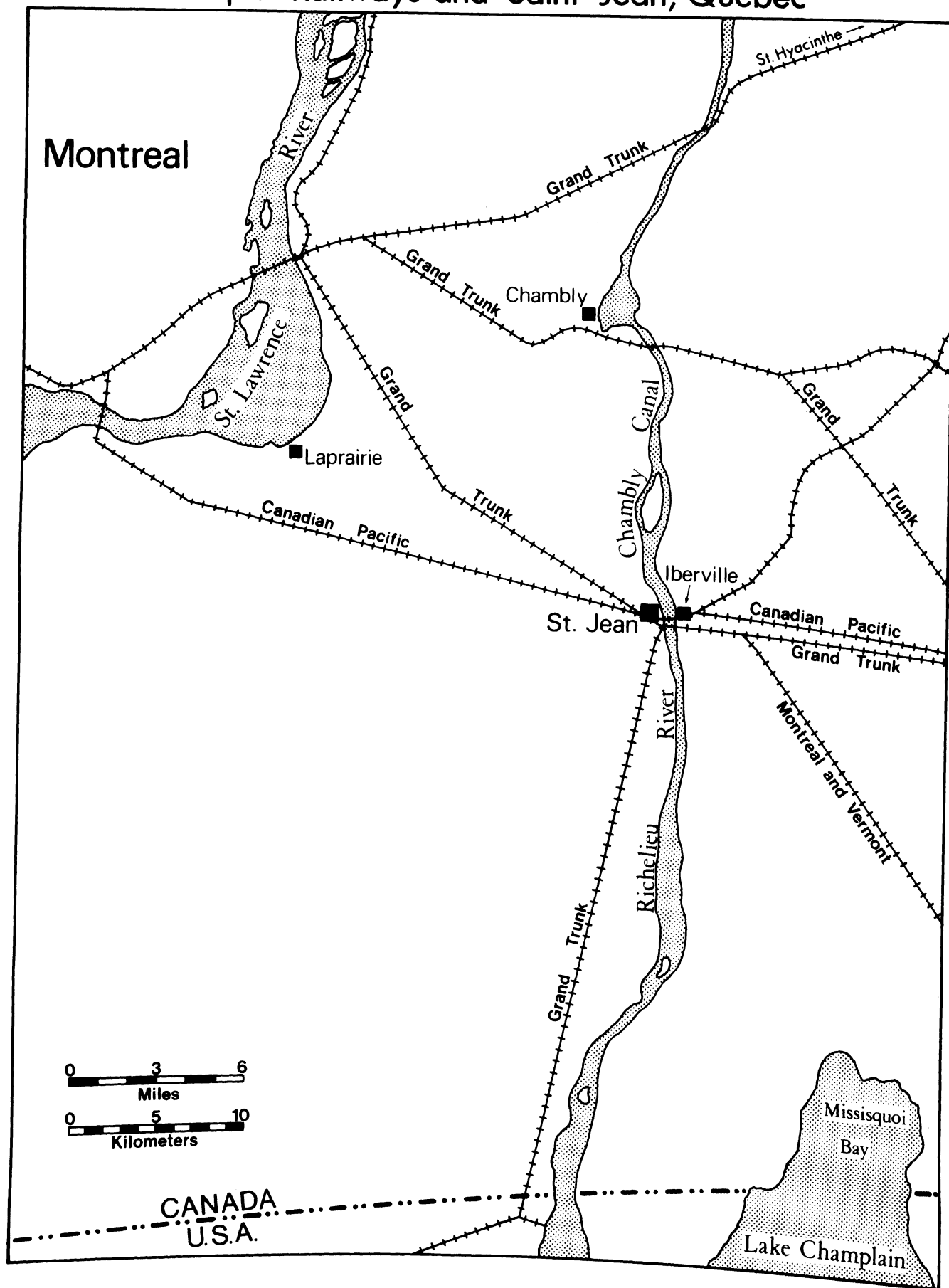
This paper attempts to discern the motives of the local entrepreneurial elite responsible for these actions. Insofar as this study has determined, economic weakness and competition from other more prosperous Quebec towns were at the root of the behaviour of Saint-Jean's leaders. Once a thriving centre for Canadian-American trade, Saint-Jean eventually suffered a decline in commercial activity in the 1870s as a result of the construction of the Grand Trunk Railway in the 1850s. The town's business elite thus tried to "boost" the industrial sector of the economy by generously dispensing municipal assistance. However, precisely because of the town's disadvantaged position, their efforts were largely futile.

I

With a few significant exceptions, due attention has not been focused on the role of municipal incentives in the economic and urban development of Quebec.¹ While studies have been done on the Montreal suburb of Maisonneuve and

the secondary regional centres of Sorel, Trois-Rivières, Sherbrooke and St-Hyacinthe, detailed monographs could be prepared on the many other municipalities which participated in bonusing and other activities. Among these were Farnham, Coaticook, Hochelaga, Longueuil, Lachine and Saint-Henri, to mention just a few.² The following article outlines and analyzes the municipal aids administered in nineteenth century Saint-Jean and in this way is a modest contribution to this field.

Map 1: Railways and Saint-Jean, Quebec



Saint-Jean, Quebec, situated on the upper Richelieu River some forty kilometres southeast of Montreal (see Map I), originated as part of a series of forts constructed along the Richelieu during the French regime. Saint-Jean's first settlers included men whose functions were associated with this military role as well as a small number of French-Canadian farmers and their families who were attracted by the protection the fort offered.³ The first significant influx of people to Saint-Jean was Loyalist. Following the American War of Independence, an estimated 213 of these patriots to the British crown, formed a village to the north of the fort of Saint-Jean by the name of Dorchester.⁴ Increasingly, however, French-Canadians came to settle on farms here, especially in the direction of Chambly and Laprairie.⁵

Over the course of the nineteenth century, Saint-Jean's character slowly changed from a Loyalist tradition to a French-Canadian and Catholic image, although English Protestants continued to dominate a small, but powerful commercial elite. Politically, Saint-Jean was a liberal stronghold and one of its inhabitants, Félix-Gabriel Marchand, became Premier of Quebec in 1897.⁶

Economically, the community's significance was overwhelmingly commercial. Saint-Jean's location between the American border and Montreal, not to mention its strategic position above a set of rapids on the Richelieu River-Lake Champlain route, were important factors in establishing its prominence as a junction or trans-shipment point in Canadian-American trade. In order to facilitate this trade and to avert the cumbersome rapids between Chambly and Saint-Jean, railways and canals were introduced early in the region. In 1836, the first railway line in Canada, the Champlain and Saint Lawrence, was completed between Saint-Jean and Laprairie.⁷ In 1843-44, the Chambly Canal was finished, bypassing the rapids and making river transport of such products as wood, pulp, hay and coal from Montreal to the United States more direct.⁸ For instance, Saint-Jean was an important centre on the chief canal route that carried boards from the sawn lumber industry of the Ottawa Valley to the American market on Lake Champlain. For some time the canal and railway interests were in direct competition. The extension of the Champlain and Saint Lawrence to Rouses Point in 1851, linking Montreal with Boston and New York, ended that competition. The railway had clearly won over the canal.⁹

Saint-Jean's population growth corresponded to this bustling economic activity. The first census returns of 1851 indicate that the village of Saint-Jean had a population of 3,215 and the parish, 1,493.¹⁰ For the first and last time in the nineteenth century, Saint-Jean had a population comparable to that of other secondary regional centres in Quebec. Its population was actually greater than Sherbrooke's and Saint-Hyacinthe's, close to Sorel's, yet trailing that of Trois-Rivières.

TABLE 1
Populations of Some Secondary
Quebec Centres, 1851-1901¹¹

	1851	1861	1871	1881	1891	1901	1901 % diff. &
Sherbrooke	2,998		4,432	7,227	10,110	11,765	292%
Trois-Rivières	4,936	6,058	7,570	8,670	8,334	9,981	102
Saint-Hyacinthe	3,194		3,746	5,321	7,016	9,210	188
Sorel	3,424	4,778	5,636	5,791	6,669	7,957	132
Saint-Jean	3,215	3,317	3,022	4,314	4,722	4,030	25

The outcome of this success was that Saint-Jean was incorporated as a town in 1858, following similar actions by the leaders of Sherbrooke, Trois-Rivières and Saint-Hyacinthe.¹² From the beginning entrepreneurs led the groups which lobbied for the political powers gained by incorporation. The Marchand brothers, Gabriel, François and Louis, successful timber businessmen, organized activities which resulted in Saint-Jean's attaining a parish charter in 1835. Nelson Mott, a prominent local merchant, effectively headed incorporation movements aimed at Saint-Jean's procuring both village and town status in 1847-48 and 1858 respectively.¹³

II

Saint-Jean's entrepreneurial elite, which consistently dominated the village and town councils, made systematic and determined efforts to promote development, first in the railroad era and then, with the advent of industrial capitalism, in encouraging manufacturing activity.¹⁴ These attempts took place in at least five different forms. The first two examples, railway investments and tax exemptions, were sanctioned by general provincial statutes. Saint-Jean's own municipal charters provided for investments in private enterprises as well as the granting of land, loans and bonuses to industries. These constituted third and fourth forms of aid. A further provincial law passed in 1904, governing the generous aid given to the Singer Manufacturing Company, served as a precedent for building railway sidings, granting free water and other incentives to companies, the final incentives examined in this period.

The municipality of Saint-Jean actively employed these powers. Immediately following provincial legislation allowing railway investments in 1853, the Saint-Jean village council bought four hundred shares in the capital stock of the Montreal and Vermont Junction Railway Company. This

action was followed by a similar one in 1855 whereupon the council bought a certain number of shares in the Stanstead, Shefford and Chambly Railroad to the amount of four thousand pounds.¹⁵ The first development, the construction of the Montreal and Vermont Junction Railway in 1864, linking Saint-Jean to central Vermont, is difficult to rationalize. Although it may have provided a more direct route to Boston, it did appear to duplicate the services of the Champlain and St. Lawrence.¹⁶ The second event appears somewhat more plausible. Completed in 1860, the Stanstead, Shefford and Chambly Railroad linked Saint-Jean to Waterloo via Farnham and Granby. Foreseeing a further connection joining Waterloo to Sherbrooke, Saint-Jean probably sought to cut in on the traffic of the competing Montreal-Portland railway route.¹⁷

Despite these actions, the Montreal-Portland railway route, as part of the Grand Trunk system, would eventually signal the downfall of the town of Saint-Jean. Reference has already been made to the completion of the extension of the Champlain and Saint Lawrence line over the American border, joining Montreal with Boston and New York in August 1851. Parallel to its construction was the building of the Montreal-Portland system through Quebec by the Saint Lawrence and Atlantic Railway Company. The first stretch of this railway, from Montreal to Saint-Hyacinthe, was finished in 1847; the next section, from Saint-Hyacinthe to Richmond was completed in 1851 and in 1852-53 work on this line was finalized.¹⁸ Although the Champlain and Saint Lawrence apparently survived the early years of contention with the Saint Lawrence and Atlantic, it was eventually dealt a heavy blow. Saint-Jean's significance as a commercial centre suffered greatly while the prestige of other Quebec centres such as Saint-Hyacinthe and Sherbrooke which were along the Montreal-Portland route, was enhanced.¹⁹

A twenty-year interlude existed between the construction of the Grand Trunk system in the 1850s and the detrimental effects this railway eventually had on Canadian-American trade passing through Saint-Jean in the 1870s.²⁰ This can be explained by the exceptionally favourable circumstances experienced during these two decades. The Reciprocity Treaty and the American Civil War generated such a significant increase in trade that Saint-Jean, with its geographical proximity to the American border, could still survive the impact of the competition. Under less advantageous conditions, namely those resulting from the 1873-79 Depression, however, Saint-Jean did not continue to thrive. The important lumber export industry from the Ottawa Valley to Lake Champlain is a significant case in point. Contrary to the increase in other trade items during the American Civil War, this industry was severely damaged. Following general economic trends, however, the industry did poorly during the depression of the 1870s and was damaged structurally by the 1890s when there was a shift from barging the rough sawn boards to carrying planned lumber and later pulp and paper (both susceptible to water damage) by rail. As well,

in the 1890s, John R. Booth completed his Canada Atlantic Railway which carried timber and pulp and paper to the American market via a route which lay to the west of the Saint-Jean Valley. Because Saint-Jean's commercial position had been endangered in this way, through declines in barge and railway traffic, which affected at the very least its servicing industries, efforts were concentrated on strengthening the weak industrial sector of its economy.

Direct involvement in the private sector of the economy ensued in 1873 when Saint-Jean began administering a second form of municipal aid, the granting of ten-year tax exemptions to local industries. Both William Coote's "Compagnie lainière" and the St. John Chinaware Co. received such exemptions in that year.²¹ Because no clauses to the contrary existed in the Lower Canada Municipal and Roads Act, the town was apparently authorized to do so. Nonetheless, in 1876, the town Corporations General Clauses Act included a provision which specifically allowed the commuting of taxes for local industries.²² This proved somewhat irrelevant in Saint-Jean's case, considering the town's past experience in the area. In 1876, Saint-Jean granted further tax exemptions to Louis Bousquet, a lumber merchant and Messrs Farrar, potters.²³ All four of these enterprises were associated with members of the town council.²⁴

Thusfar, Saint-Jean's local businessmen were indeed very active, if not aggressive, in the area of economic encouragement. This same aggressive behaviour is characterized by the 1875 amendment to the town charter which allowed investments in industries as well as railways.²⁵ By 1876, the town's investments in industries already established in Saint-Jean totalled sixty-five thousand dollars.²⁶

In 1880, the most significant modification to the town charter, permitting the granting of loans and bonuses in the form of money or land to industries, was made.²⁷ Thus the greatest type of municipal involvement in the economy, bonusing, was initiated and continued for at least three decades. Saint-Jean granted five thousand dollars in loans and sixty thousand dollars in bonuses to railways and industries in the ten years immediately following this amendment.²⁸

The important transition to note is that while previous incentives were only given to railways and industries already established in Saint-Jean and closely associated with town council members, bonusing was now being used to attract industries from other locations. Competition developed between the towns which were granting bonuses. For instance, in 1884, Séguin, Lalime & Cie, boot and shoe makers, following a fire in their factory, left Saint-Jean for Saint-Hyacinthe. Saint-Jean offered a bonus to retain them, but its ten thousand dollar bid was upped by Saint-Hyacinthe's twelve thousand.²⁹ Following accusations of wrongdoings regarding the alleged cause of the fire cited by the company, the local press simply reported on April 25, 1884 that "Les employés de la manufacture de chaussures

Séguin et Lalime sont partis, hier, par un train spécial pour Saint-Hyacinthe.”³⁰ So, Saint-Hyacinthe got the boot and shoe factory and it stayed there for some time. In 1887, the construction of a Montreal tannery, Moseley & Cie, led to a renewed economic warfare between Saint-Jean and Saint-Hyacinthe, but this time Saint-Jean won.³¹

From 1890 to 1899, Saint-Jean employed two forms of incentives, tax exemptions and bonuses. In comparison with four exemptions given in the 1873-76 period, fourteen were granted from 1890-99.³² Bonuses, too, were given at an unprecedented level. In this period alone, bonuses totalled an estimated \$131,000.³³

It is not surprising, then, that anti-bonus feelings seem to emerge in Saint-Jean in this period. In most cases, opposition was never sufficient to block any of the bonuses. In only one instance, that of the Canadian Pacific Railway in 1891, was general opinion seemingly unanimous enough to cancel a bonus. This strong action followed the repeated failure of Canadian Pacific to pay municipal taxes and construct street crossings. This may well have been a result of the general dissatisfaction and mistrust which surrounded the govern-

ment financing of the railway. No similar sentiments were yet evident with regard to industries.³⁴

This increasing, though limited, anti-bonusing feeling in Saint-Jean was reflective of a more widespread phenomenon elsewhere in the province. On March 10th, 1899, the first of two provincial laws restricting bonusing was passed. The legislation stipulated that no bonus was to be granted for establishing a factory similar to one already in the municipality which had not received a bonus or for the removal of one from another municipality in the province.³⁵ Although no evidence of Saint-Jean's reaction has been found to this legislation, *Le Canada Francais*, the town's Liberal newspaper and local periodical with the largest circulation in the region,³⁶ did react when J.A. Chicoyne, a Conservative from the Sherbrooke region, proposed legislation banning bonusing altogether in the following year:

M. Chicoyne a présenté un bill pour défendre aux municipalités d'accorder des bonus aux sociétés industrielles.

C'est radical assurément pour un conservateur et la chambre a décidé sur motion de l'hon. M. Dechène, de référer le projet de loi à un comité spécial.

TABLE 2
Bonuses to Industries 1899-1914³⁹

Firm	By-law	Year	Grant	Conditions	Length of Stay
Boissevain, fabrique de lits, coussins, matelas etc. de plume et de duvet	?	1899	\$ 9,000	\$600/yr. for 15 yrs. \$200 deposit	?
Miles Edgar Agar et al. The Richelieu Cordage Co.	82	1902	5,000	-ins. policy -pay list	?
Samuel Roy, cremerie	86	1902	4,000	Yes	?
Life-Saver Boot & Shoe Co.	113	1909	30,000	?	?
Chas. A. Marsh Co. of Canada Ltd., fabrique de matelas et couvertures de lits	118	1910	13,000	?	1910-11
Cluett, Peabody & Co. de Troy, N.Y., fabrique de chemises, collets	123	1910	30,000	?	1911-27
De Laval Dairy Supply Co.	130	1910	?	\$500/yr for ? yrs.	?
The Lightning Furnace Co. Ltd. of Montreal	131	1911	30,000	Yes	?
Denault & Meunier North America Jewelry Co.	135	1912	7,000	?	1912-16
Total			\$128,000		

TABLE 3
Municipal Aids Other Than Bonuses 1899-1914⁴⁰

Firm	By-law	Year	Nature of Aid	Conditions	Length of Stay
Indo-Egyptian Compress Co. The Canadian Bailing Co.	?	1900	10 yr. tax exemption	?	1900-1902
Saulnier & Balcer, Union Hat Works	76	1900	\$6000 loan	\$1000/yr. for 6 yrs. + 4% interest	1900-1905
The Singer Manufacturing Company, sewing machine manufacturing	92	1904	see p. 15 of this paper & Table 10 of thesis	No	1904-present
St. Johns Brick Co.	94	1904	\$6000 loan	\$2000/yr. for 3 yrs. + 5% interest	1904-1910
Standard Drain Pipe Co.	?	1908	10 yr. tax exemption	?	1884-1965
G.E. McClure	106	1910	land & 10 yr. tax exemption	11 mos/yr. employ 20 people	?
Canada Stove & Furniture Manufacturing Co.	?	1910	\$50,000 loan	\$2000/yr. no interest employ 125 people	?
Cluett, Peabody & Co., Textile	123	1910	land 10 yr. tax exemption & other privileges	?	1911-1927
The Lightning Furnace Co. Ltd.	131	1911	land 10 yr. tax exemption & other privileges	Yes	?
The Canadian Dairy Supply Co. Ltd.	130	1911	10 yr. tax exemption moving fees paid	\$200 deposit	?
The Walsh Holyoke Steam Boiler Works	133	1911	land & use of railway siding	?	?
H. Hubbard et fils	?	1912	land & 10 yr. tax exempt.	Yes	?
Canadian Clarendon Marble Works, England	?	1913	land & 10 yr. tax exempt.	?	bankrupt 1914
Hart Accumulator Co. Ltd.	?	1913	land & 10 yr. tax exempt.	?	?
Singer Manufacturing Co.	?	1914	20 yr. tax exempt. renewed	?	1904-present

TABLE 3 (Continued)
Tax Exemptions Granted in 1914, Excluding Those Already Mentioned:

Firm	By-law	Amount	Length of Stay
Aqueduc de Saint-Jean	106	\$212.00	?
Belding, Paul Corticelli Silk Co.	106	500.00	1889-1976
Canadian Trenton Potteries Company	124	500.00	1905-1920
Excelsior Hat Works Co.	106	886.00	1912-1918
Knight, Wesley	106	120.00	?
Latour & Dupuis Ltée.	106	122.00	1908-1954
Standard Clay Products Co.	105	731.00	1884-1965
St. Johns Land & Building Co.	106	50.00	?
St. Johns Straw Works Co.	106	78.00	1879-1918
Windsor, J. W.	137	84.00	1901-1960

La grande majorité de nos députés s'est carrément prononcée en faveur des franchises municipales et l'on se plaît à croire que les électeurs municipaux connaissent tout aussi bien leurs vrais intérêts que les réformateurs en cabinet. C'est un peu notre humble avis et il y a grande chance qu'il soit renvoyé aux calendes grecques. Quoiqu'il on advienne, le comité a décidé de poser une série de questions aux municipalités sur l'opportunité de cette mesure et en attendant les réponses il s'est ajourné au 23 février.³⁷

Le Canada strongly endorsed bonusing and urged municipal voters to do the same. Owing to the opposition of most of the municipalities, Chicoyne's proposals were watered down and slightly stricter anti-bonusing legislation came into effect in 1901. A bonus could not be granted to an industry which was already established in the province.³⁸

Contrary to one's expectations, no decrease took place in Saint-Jean's granting of incentives to industries as a result of anti-bonusing legislation. Although there was a drop in the amount of bonusing *per se*, the practice of granting other forms of aid was on the rise. As Table 2 shows, Saint-Jean dispensed \$128,000 in bonuses from 1899-1914. This compared with \$131,000 for 1890-99, a period of six fewer years.

On the other hand, the municipality cleverly got around the turn of the century bonusing restrictions by offering other benefits to prospective firms. As Table 3 illustrates, especially following the example of Singer, Saint-Jean's agreements with industries which often had competitors in the municipality or were already established elsewhere in the province, often included amenities other than bonuses such as grants of land, loans, railway sidings and water. Although the legislation restricted bonuses, the municipality did not hesitate to use other concessions to attract industries away from other towns.

Owing to the fact that provisions for these incentives were not included in Saint-Jean's charter, by-law 92, ratifying the aid given to the Singer Manufacturing Company, was passed in the Quebec legislature in 1904.⁴¹ It provided free land for both the sewing machine factory and the employees' houses, a railway siding joining up with the Grand Trunk line, a hangar and wharf on the Chambly Canal and an electric tramway from the canal to the factory, a twenty year tax exemption and free water. Calculations estimate the cost of Singer at over \$108,000.⁴² The Liberal and Conservative press, as well as the town's property owners, heartily endorsed Singer's coming.⁴³ No conditions appear to have been imposed and newspaper reports of the factory's establishment estimate employment at roughly four hundred people.⁴⁴

Singer and public works related to it seemingly monopolized the town's attention from 1903 to 1909. By the end of the period under study, however, municipal aids took on permanent features not unlike contemporary industrial assistance. The local Chamber of Commerce began sharing the role of attracting industries with the town council. In 1911 the town allotted four hundred dollars to this organization to print a pamphlet extolling the virtues of Saint-Jean as an industrial centre, especially directed at American companies.⁴⁵ The Council was also considering converting the Exposition Grounds into an industrial park.⁴⁶

Tax exemptions, investments in local industries, bonuses and other inducements did not resume Saint-Jean's economy in the latter part of the nineteenth century. It suffered a considerable demise. As a result of Saint-Jean's gradual decline as a commercial centre, the industrial sector of its economy took on an increasing significance. With the exception of two periods, 1871-1881 and 1901-1911, Saint-Jean's industries, despite all efforts to the contrary, did poorly and the town's population did not increase substantially.⁴⁷ This

lack of progress on Saint-Jean's part contrasts with the growth of other Quebec towns. While from 1851 to 1901, Sherbrooke almost quadrupled in size, Saint-Hyacinthe almost tripled, Trois-Rivières and Sorel more than doubled, Saint-Jean's population grew by a mere 25 per cent (Table 1).

TABLE 4
Population Figures
Town of Saint-Jean, Quebec 1851-1911⁴⁸

	Population	Difference	% Difference
1851	3,215		
1861	3,317	+ 102	3%
1871	3,022	- 295	- 9
1881	4,314	+ 1,292	43
1891	4,722	+ 408	9
1901	4,030	- 742	- 16
1911	5,903	+ 1,873	46

Many of Saint-Jean's inhabitants left for New England, where the prospect of obtaining employment in labour intensive industries such as textiles was a favourable one for many Canadians.⁴⁹ The advent of industrialization on a similar scale occurs in the twentieth century in Saint-Jean and accounts for the only other period of urban growth in this study, from 1901 to 1911.⁵⁰ The establishment of one single industry, Singer, was responsible for the marked ascendancy of the local economy at this point. This dependence is indicative of the general weakness of the local economy of Saint-Jean during the period under study.

III

Following observations of both the general weakness of Saint-Jean's local economy and the considerable extent to which municipal assistance was given, it is logical to conclude that one was a natural outcome of the other. The deteriorating economic circumstances of the town motivated its leaders, a closely knit group of small businessmen who sat on the town council, to make lucrative offers to private enterprises in order to ensure the town's existence. Specifically, in the light of the contrasting progress of other Quebec towns, bolstering the weak economy was a prime consideration for Saint-Jean's promoters.

Saint-Jean's local businessmen perceived the alternatives clearly: they either had to follow the example of other Quebec towns or flounder. Hence, when Saint-Hyacinthe and Sherbrooke amended their charters to allow bonusing in 1870 and 1875 respectively, Saint-Jean felt the pressures and did the same in 1880.⁵¹ Tom Naylor's quotation from *The Mont-etary Times* best sums up Saint-Jean's attitude:

St. Jean, Quebec, a town that was exceptionally active in the bonusing craze, declared in 1888, that "St. John is not strong enough to stem the tide in such matters. We must, to some extent, do as others do or lag behind the race."⁵²

Saint-Jean's entrepreneurial elite ensured that the town did not lag behind the race in its competition with towns such as Saint-Hyacinthe and Sherbrooke whose town councils were similarly dominated by aggressive businessmen. Although it is difficult to make a precise comparison of their efforts, one can safely say that they were all very active. From 1870 to 1914, Sherbrooke gave out \$433,358 to industries, but this figure includes tax exemptions and land grants in addition to bonuses for the years 1910-1914. In the same period, 1870-1914, Saint-Hyacinthe provided over \$240,000 in direct assistance, loans and bonuses, to industry whereas Saint-Jean's bonuses alone totalled over \$300,000 for these years.⁵³

The stubborn efforts of Saint-Jean's local leaders to overcome the challenge of both the discouraging economic trends and the effective competition of other towns led to a concentration of energy always aimed at what they believed to be the general progress of the town. Because these businessmen for the most part considered Saint-Jean their permanent home, the town's advancement thus implied the enlargement of their own businesses and profits. They displayed no reluctance to use public funds to promote growth and further their own private interests. Their basic task was to encourage rapid economic and population growth at the expense of all other considerations.⁵⁴

Despite the fact that the majority of public opinion was in favour of local government assistance, the critics which did surface, had legitimate cause for concern, especially in the area of municipal financing.⁵⁵ The town of Saint-Jean, while never reaching the point of bankruptcy, did overburden itself in order to finance tax exemptions, bonuses and other incentives to industries. The sources for these expenditures were sought through increasing tax rates for property owners and tenants, greater license costs and the introduction of fees on businesses and professionals as well as a special annual tax for bonuses and on persons working, but not residing in the town.⁵⁶

The limited nature of the opposition forces in the face of these unfavourable circumstances only serves to accentuate the dominance of the prevailing mentality and the determination of the leaders. The firmness of their purpose suggests that economic weakness was a strong determining factor, and to a large extent explains the motives for their deeds. Because of its desperate position, Saint-Jean's leaders displayed many characteristics of the "booster spirit," "promoter mentality," "doctrine of success or progress" or "ideology of progress and prosperity" historians such as Alan F.J. Artibise, Max Foran, Paul Voisey, John C. Weaver, Peter Ennals

and Paul-André Linteau describe in their studies of similar activities in both English and French Canadian communities.⁵⁷

All of these authors use different words and terms to express the same concept and to describe the same phenomenon. During the late nineteenth and early twentieth centuries there was a cohesive attitude, ideology or mentality common to local business elites throughout the country. Its primary objective was economic growth. This growth could best be achieved through the dominance of municipal government, and hence the local political process was seen simply as a tool to encourage the economic activities which were vital to their self-interests.

In many respects the behaviour of Saint-Jean's entrepreneurs was not unlike that of local business elites in the West or in Ontario or in other towns in Quebec. The goals and the means taken to achieve them appear to have been quite similar. The final results, however, differed substantially. With the exceptions of Cobourg and Port Hope, the communities analyzed by Peter Ennals, and the southern Alberta towns examined by Paul Voisey, all of the towns and cities studied, Winnipeg, Regina, Calgary, Edmonton and Saskatoon, as well as Maisonneuve, were assured a dominant position with regard to rail routes. Needless to say, this enhanced their chances for urban and industrial growth and led to a considerable measure of success. Inadvertently or not, much more attention has been devoted to the "winners" in this game rather than the "losers."

From the start, Saint-Jean was clearly a "loser." One cannot overemphasize the fact that Saint-Jean's "boosterism" was primarily motivated by its disadvantaged economic position in the latter part of the nineteenth century. One recalls that the reason for Saint-Jean's demise was the predominance of the Montreal-Portland railway route which passed through Saint-Hyacinthe and Sherbrooke. Hence, Saint-Jean's unfavourable location with respect to rail lines led to its failure in this period.

Within the context of Quebec, Saint-Jean failed in comparison with Saint-Hyacinthe and Sherbrooke because of its negative position in relation to rail lines and in spite of bonusing. All efforts to attract industry through bonusing and other measures were therefore futile. This appears increasingly obvious when one considers that all three of these centres, Saint-Jean, Saint-Hyacinthe and Sherbrooke had much in common from a demographic (Table 1) and industrial perspective in the mid-nineteenth century. In the 1850s, as part of Quebec's early industrial development in the Montreal plain and Eastern Townships, light manufacturing industries such as food, textile, clothing and shoes reinforced the already existent population in these areas.⁵⁸ Furthermore, there is no evidence to suggest that the firms attracted by bonusing in the late nineteenth century in Sherbrooke

and Saint-Hyacinthe fared any better than those in Saint-Jean.⁵⁹

The fact remains that during the last two or three decades of the nineteenth century, the bonusing craze swept the province and many Quebec towns competed to attract industries. The companies which were in the market for these hand-outs were not the most financially stable. In the 1890-99 period, the most active in Saint-Jean's bonusing history, five of the nine industries given cash grants failed within two to three years.⁶⁰ This hardly compensated for the over three hundred thousand dollars which Saint-Jean put out in direct grants, not to mention tax exemptions, land and other concessions from 1880-1914. An early form of a corporate welfare system, funded by municipalities and sanctioned by the provincial government, was operating in Quebec. Small manufacturing establishments, barely surviving and providing limited gainful employment for local citizens, took advantage of these available funds to maintain operations for a few short years.

In all fairness, though, Saint-Jean's actions did not always bear terrible results. In the last period in this study, from 1901-1911, the incentives did bring some returns. This was, however, the only time since bonusing was enacted to attract outside industry, that Saint-Jean experienced some urban growth and ironically, it occurred after anti-bonusing legislation. The success was mainly due to the establishment of one major American corporation, the Singer Manufacturing Company. The more than one hundred thousand dollars spent for Singer alone paid off as Singer regenerated the local economy through direct employment for local citizens, by adding to the local population, aiding spin-off industries such as construction and encouraging the various service sectors. On the other hand, Singer may very well have established itself in another town, in Quebec or elsewhere, offering similar advantages. Hence, the argument that because the methods worked in the specific instance of Singer, the entire system had some validity, carries little weight. Private enterprise was supported by public funds with the local government assuming absolutely no direction of it.⁶¹ The successful effects of Singer hardly overshadow the continued endorsement of weaker industries and the enormous costs incurred which bore little fruit.

NOTES

1. This point is also noted in Paul-André Linteau, René Durocher et Jean-Claude Robert, *Histoire du Québec contemporain: de la Confédération à la Crise (1867-1929)* (Montreal: Boréal Express, 1979), 114-115.

Those who have nonetheless dedicated some study to this area include: Tom Naylor, *The History of Canadian Business, 1867-1914*, vol. 2 (Toronto: James Lorimer and Company, 1975), 140-143; Paul-André Linteau, "Histoire de la ville de Maisonneuve, 1883-1918" (Thèse de doctorat, Université de Montréal, 1975); Paul-André Linteau, *Maisonneuve ou comment de promoteurs fabriquent une ville, 1883-*

- 1918 (Montréal: Boréal Express, 1981); 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); Ronald Rudin, "Boosting the French Canadian Town: Municipal Government and Urban Growth in Quebec, 1850-1900." *Urban History Review* X (October 1982): 1-10.
2. Naylor, *History of Canadian Business*, 140-43.
3. Gustave Lanctôt, *Bref historique de Saint-Jean du Richelieu: Panorama historique de Saint-Jean* (Montréal: Ducharme Ltée, 1947), 5-9.
4. *Ibid.*, 10-11; Fernand Ouellet, *Histoire économique et sociale du Québec, 1760-1850* (Montréal: Fides, 1971), 144.
5. Lanctôt, *Bref historique de Saint-Jean*, 12.
6. Two of the local newspapers, *The News and Frontier Advocate* and *Le Franco-Canadien/Le Canada Français*, were Liberal organs in the nineteenth century. *Le Courrier de Saint-Jean*, the Conservative paper, existed only from 1896-1909 in reaction to the Liberal takeover in Quebec. André Beaulieu et Jean Hamelin, *La presse québécoise des origines à nos jours*, 4 tomes (Québec: Les Presses de l'Université de Laval, 1973-79), 1:163 & 4:11; André Beaulieu et Jean Hamelin, *Les journaux du Québec de 1764 à 1964* (Québec: Les Presses de l'Université de Laval, 1965), 245-246; Lionel Fortin, *Félix-Gabriel Marchand* (Saint-Jean-sur-Richelieu: Éditions Mille Roches, 1979).
7. Maurice Bernard Ballabon, "A Regional Study of the Richelieu Valley: The Urban Centres" (M.A. Thesis, McGill University, August, 1952), 222; Jean Hamelin et Yves Roby, *Histoire économique du Québec, 1851-1896* (Montréal: Fides, 1971), 14.
8. Jean-D. Brosseau, *Saint-Jean-de-Québec: Origine et développement* (Saint-Jean: Le Richelieu, 1938), 94; Réal Fortin, *Bâteaux et épaves du Richelieu* (Saint-Jean-sur-Richelieu: Éditions Mille Roches, 1978), 78.
9. Hamelin et Roby, *Histoire économique du Québec*, 14; Gerald J.J. Tulchinsky, *The River Barons: Montreal Businessmen and the Growth of Industry and Transportation, 1837-53* (Toronto: University of Toronto Press, 1977), 112-114.
10. Government of the Canadas, *1851 Census of the Canadas*, vol. 1 (Quebec: Board of Registration and Statistics, 1853) Appendix No. 3, 78-79, Lower Canada Personal Census by Origin, records 1493 for the parish of St. John's; Appendix No. 4, 114-115, by Religion, gives 1493, but Appendix No. 6, 342-351, by Ages, says 1473. I therefore took 1493 as the figure given in the majority of cases.
11. Hamelin et Roby, *Histoire économique du Québec*, 292; Government of the Canadas, *1851 Census of the Canadas*, vol. 1 (Quebec: Board of Registration and Statistics, 1853), Appendix No. 3; Government of the Canadas, *1861 Census of the Canadas*, vol. 1 (Quebec: Board of Registration and Statistics, 1863), Appendix No. 1.
12. Parliament of the Canadas, *1858 Statutes of the Canadas*, 22 Vict. (Quebec: 1858), cap. 106, 553-585; Sherbrooke was incorporated as a town in 1852. Saint-Hyacinthe became a town in 1850 and a city in 1857. The city of Trois-Rivières was incorporated in 1857. Sorel was still unincorporated at that date. Rudin, "The Development of Four Quebec Towns," 105, 117, 121-122, 128.
13. Lanctôt, *Bref historique de Saint-Jean*, 12-13; Lionel Fortin, *Le maire Nelson Mott et l'histoire de Saint-Jean* (Saint-Jean-sur-Richelieu: Éditions Mille Roches, 1976), 31-43. Not surprisingly, Nelson Mott became the first mayor of the town of Saint-Jean.
14. See Kathleen Lord, "Municipal Aid and Industrial Development: Saint-Jean, Quebec, 1848-1914" (M.A. thesis, Concordia University, 1981), Appendices I-V for breakdown of occupations of village and town council members. Businessmen made up of 64-78% of the members in all cases.
15. R. Stanley Weir, "Municipal Institutions in the Province of Quebec," in *Municipal Government in Canada*, ed. S. Morley Wickett (Toronto: Librarian of the University of Toronto, 1907), 54; Conseil de ville de Saint-Jean, Québec, *Procès-verbaux*, vol. 1, 3 octobre 1853, 457-462; *Ibid.*, 19 novembre 1853, 466; *Ibid.*, vol. 2, 22 octobre 1855, 42.
16. Hamelin et Roby, *Histoire économique du Québec*, 126. This may well have been the objection raised by the 105 property owners who voted against the by-law governing this investment, but who were nonetheless defeated by the majority, 156 voters. They were doubtlessly led by some of Saint-Jean's merchants, who were among the railway's Board of Directors. For more details, see Lord, "Municipal Aid and Industrial Development," 37.
17. Hamelin et Roby, *Histoire économique du Québec*, 126. By referring to the map on p. 4, one sees that this line was later incorporated into the Grand Trunk system. *Le Franco-Canadien*, 12 juin 1885.
18. Hamelin et Roby, *Histoire économique du Québec*, 14, 122-24.
19. Tulchinsky, *River Barons*, 165; Hamelin et Roby, *Histoire économique du Québec*, 122-24, 295.
20. See figures in Table 2 of Lord, "Municipal Aid and Industrial Development."
21. Conseil de ville de Saint-Jean, Québec, *Procès-verbaux*, vol. 3, 10 mars 1873, 148; *Ibid.*, 1 décembre 1873, 181.
22. Weir, "Municipal Institutions," 54-58.
23. Conseil de ville de Saint-Jean, Québec, *Procès-verbaux*, vol. 3, 19 décembre 1877, 182.
24. For more details, see Lord, "Municipal Aid and Industrial Development," 39-40.
25. Parliament of Quebec, *1875 Statutes of Quebec*, 39 Vict. (Quebec: 1875), Chap. 48, 149-154.
26. For an enumeration of the industries aided, see Lord, "Municipal Aid and Industrial Development," 40.
27. Parliament of Quebec, *1880 Statutes of Quebec*, 43-44 Vict. (Quebec: 1880), Chap. 62, 311-361.
28. See Table 6, of Lord, "Municipal Aid and Industrial Development," 41.
29. Naylor, *History of Canadian Business*, 141-42.
30. *Le Franco-Canadien*, 24 avril 1884, 4.
31. Naylor, *History of Canadian Business*, 146; See Table 6 of Lord, "Municipal Aid and Industrial Development," 41.
32. Conseil de ville de Saint-Jean, Québec, *Procès-verbaux*, vol. 5, 7 janvier 1890 à mars 1899.
33. See Table 7 of Lord, "Municipal Aid and Industrial Development," 43.
34. Conseil de ville de Saint-Jean, Québec, *Procès-verbaux*, vol. 5, 16 février 1891, 42.
35. Parliament of Quebec, *1899 Statutes of Quebec*, 62 Vict. (Quebec: 1899), Chap. 41, 232-233.
36. *Le Canada Français* had a circulation of 2,250 in 1900 compared to *Le Courrier de Saint-Jean* which had a circulation of 1,000 in 1909. The circulation of the Saint-Jean edition of *The News and Frontier Advocate* is unknown. Beaulieu et Hamelin, *Les journaux du Québec de 1764 à 1964*, 244-247.
37. *Le Canada Français*, 9 février 1900, 1. Saint-Jean's response to the bonusing questionnaire of 1900 is not known. A list of municipalities for and against the project in *Le Courrier de Saint-Hyacinthe*, 27 février 1900, did not include Saint-Jean's answer.
38. Parliament of Quebec, *1901 Statutes*, 1 Edward VII (Quebec: 1901), Chap. 28, 105-106.
39. Conseil de ville de Saint-Jean, Québec, *Procès-verbaux*, vol. 5, mars 1899 au 2 octobre 1905; vol. 6, 2 octobre 1905 au 26 août 1912; vol. 7, 3 septembre 1912 au 28 déc. 1914.
40. *Ibid.*
41. Parliament of Quebec, *1904 Statutes of Quebec*, 4 Edward VII (Quebec: 1904), Chap. 59, 164-166.
42. See Table 10, of Lord, "Municipal Aid and Industrial Development," 54.
43. *Le Canada Français*, 29 janvier 1904, 1; *Le Courrier de Saint-Jean*, 22 avril 1904, 2; *The News and Frontier Advocate*, 1 December 1905, 8.
44. *Le Canada Français*, 17 juin 1904, 10.

45. Conseil de ville de Saint-Jean, Québec, *Procès-verbaux*, vol. 6, 24 août 1911, 535; *Ibid.*, 11 octobre 1911, 543.
46. *Ibid.*, 10 juin 1912, 597.
47. For further evidence of poor industrial growth, see Tables 4 & 5 of Lord, "Municipal Aid and Industrial Development," 15-25.
48. Government of the Canadas, *1851 Census of the Canadas*, vol. 1 (Quebec: Board of Registration and Statistics, 1853), Appendix No. 3; Government of the Canadas, *1861 Census of the Canadas*, vol. 1 (Quebec: Board of Registration and Statistics, 1863), Appendix No. 1; Government of Canada, *1871, 1881, 1891, 1901 Census of Canada*, vol. 1 (Ottawa: Department of Agriculture, 1873, 1882, 1893, 1902); Government of Canada, *1911 Census of Canada*, vol. 1 (Ottawa: Department of Trade and Commerce, 1912).
49. Hamelin et Roby, *Histoire économique du Québec*, 295; Arthur Hiess, "Saint-Jean, Quebec, 1871: A Socio-Economic Profile" (M.A. Thesis, Concordia University, 1975), 36.
50. Saint-Jean would then appear to concur more with traditional historiography which situates industrialization from 1896-1911 as opposed to G.W. Bertram's analysis which places it in the 1880s. I would qualify this interpretation by adding that Saint-Jean had an established industrial base in the 1850s which only expanded significantly in the first decade of the twentieth century.
51. Rudin, "The Development of Four Quebec Towns," 68, 118.
52. Naylor, *History of Canadian Business*, 107.
53. Rudin, "The Development of Four Quebec Towns," 108, 111, 119. It should be noted that the municipalities of Trois-Rivières and Sorel, where business interests were not as influential in local government as in Sherbrooke and Saint-Hyacinthe, resorted to these measures to a much lesser extent and did not enjoy as extensive population growth as Sherbrooke and Saint-Hyacinthe. (See Table 1 of this article and Rudin, "The Development of Four Quebec Towns," 121, 127-128, 133-134.)
54. Many other factors, such as restricted franchise and property qualifications for mayor and councillor positions militated against the participation and voicing of the interests of the working class, the group most affected by failing economic conditions. In the unfortunate absence of the evaluation roles and election lists, one simply does not have enough evidence to make this argument effective.
55. Expressions of opposition were the exception rather than the rule and were largely confined to the last decade of the nineteenth century when bonusing was clearly getting out of hand.
56. Lord, "Municipal Aid and Industrial Development," 63-66.
57. Alan F.J. Artibise, "Continuity and Change: Elites and Prairie Urban Development, 1914-1950," in *The Usable Urban Past*, ed. Alan F.J. Artibise and Gilbert A. Stelter (Toronto: Macmillan, 1979), 131; Alan F.J. Artibise, *Winnipeg: A Social History of Urban Growth, 1874-1914* (Montreal and London: McGill-Queen's University Press, 1975), 23, 74; Alan F.J. Artibise, "Boosterism and the Development of Prairie Cities, 1871-1913" in *Town and City: Aspects of Western Canadian Urban Development*, ed. Alan F.J. Artibise (Regina: Canadian Plains Research Center, 1981), 209-235; Max Foran, *Calgary: An Illustrated History* (Toronto: James Lorimer and Company, 1978), 34, 45, 67, 70, 74, 89, 100; Paul Voisey, "The Urbanization of the Canadian Prairies, 1871-1916," *Histoire sociale/Social History*, VIII (May 1975): 77-101; Paul Voisey, "Boosting the Small Prairie Town, 1904-1931: An Example from Southern Alberta" in *Town and City: Aspects of Western Canadian Urban Development*, ed. Alan F.J. Artibise (Regina: Canadian Plains Research Center, 1981), 147-176; John C. Weaver, "Elitism and the Corporate Ideal: Businessmen and Boosters in Canadian Civic Reform, 1890-1920," in *Papers of the Western Canada Urban History Conference — University of Winnipeg, October 1974* (Ottawa: National Museum of Canada, 1975), 48-73; Peter Ennals, "Cobourg and Port Hope: The Struggle for Control of the 'Back Country'" in *Perspectives on Landscape and Settlement in Nineteenth Century Ontario*, ed. J. David Wood (Toronto: McClelland and Stewart, 1975), 183-195; Linteau, "Histoire de la ville de Maisonneuve," Sommaire, Chap. 8 et 9.
58. Linteau, "Histoire de la ville de Maisonneuve," 26-27.
59. Rudin, "The Development of Four Quebec Towns," 105-121.
60. See Table 7 of Lord, "Municipal Aid and Industrial Development."
61. One can see from Tables 6 & 7 of Lord, "Municipal Aid and Industrial Development" and Tables 2 & 3 of this paper, that conditions were imposed on some industries. Only in 1902, however, was an Industry Committee set up to deal specifically with these matters. Even afterwards, bonus payments were seldom held back because industries were not fulfilling their obligations to the agreements.