

# Land Ownership and Urban Growth: The Experience of Two Quebec Towns, 1840-1914

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Volume 8, numéro 2, octobre 1979

URI : <https://id.erudit.org/iderudit/1019376ar>  
DOI : <https://doi.org/10.7202/1019376ar>

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Éditeur(s)

Urban History Review / Revue d'histoire urbaine

ISSN

0703-0428 (imprimé)  
1918-5138 (numérique)

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Citer cet article

Rudin, R. (1979). Land Ownership and Urban Growth: The Experience of Two Quebec Towns, 1840-1914. *Urban History Review / Revue d'histoire urbaine*, 8(2), 23–46. <https://doi.org/10.7202/1019376ar>

## Résumé de l'article

Les villes québécoises de Sherbrooke et de Sorel offraient toutes les deux certains attraits pour le développement économique en 1840. Sorel se trouvait au confluent de deux fleuves importants, tandis que Sherbrooke offrait à l'industrie une énergie hydraulique considérable. Néanmoins, de 1840 à 1914 Sherbrooke grandit beaucoup plus rapidement que Sorel. La nature de la propriété des fonds de terre contribua en grande partie à différencier l'expérience des deux villes. Les terres les plus précieuses à Sorel furent immobilisées par une suite d'agences d'état, tandis que les meilleurs terrains à Sherbrooke appartenaient à une société foncière privée vivement désireuse d'encourager le développement.

LAND OWNERSHIP AND URBAN GROWTH: THE  
EXPERIENCE OF TWO QUEBEC TOWNS, 1840-1914

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*Ronald Rudin*

ABSTRACT/RESUME

The Quebec towns of Sherbrooke and Sorel both offered certain attractions for economic development in 1840. Sorel was located at the junction of two major rivers, while Sherbrooke offered considerable water power to industry. Nevertheless, between 1840 and 1914 Sherbrooke grew much more rapidly than Sorel. The nature of land ownership was an important factor in differentiating the experiences of the two towns. Sorel's most valuable lands were tied up by a succession of government agencies, while the best lands in Sherbrooke were owned by a private land company eager to encourage development.

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Numerous factors must be considered in order to understand the emergence of a major urban centre at a given location. Walter Christaller, Alfred Weber and August Lösch concerned themselves with the economic advantages offered by a particular site.<sup>1</sup> While Christaller linked urban growth to the ability of a centre to provide services to its sur-

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<sup>1</sup>Walter Christaller, Central Places in Southern Germany (Englewood Cliffs, 1966); Alfred Weber, Theory of the Location of Industries (Chicago, 1962); August Lösch, The Economics of Location (New Haven, 1954). This discussion makes no claim of offering more than a partial inventory of the sort of factors that must be considered. For a recent discussion of the sort of factors influencing urban development, see Edward Muller, "Regional Urbanization and the Selective Growth of Towns in North American Regions," Journal of Historical Geography, III (1977), 21-39.

rounding region, Weber was interested in the way in which factors such as the costs of power, land, raw materials and labour influenced the location of industry. Lösch added to Weber's model an interest in the potential market that could be reached from a given industrial site. All three of these theories showed the assumption that entrepreneurs were aware of the merits of all possible sites and that decisions were subsequently made to maximize profits. Allan Pred has tried to introduce the human element into this process by noting that locational decisions were not always made by actors in the possession of perfect knowledge. He found that "spatial variations in information availability will have considerable repercussions both on how locational decision-making processes vary from place-to-place and on what decisions are actually made."<sup>2</sup> James Gilmour has gone even further away from the mechanistic models by pointing to the need to consider "the irrational and unpredictable locational and operational decisions of the individual entrepreneur."<sup>3</sup>

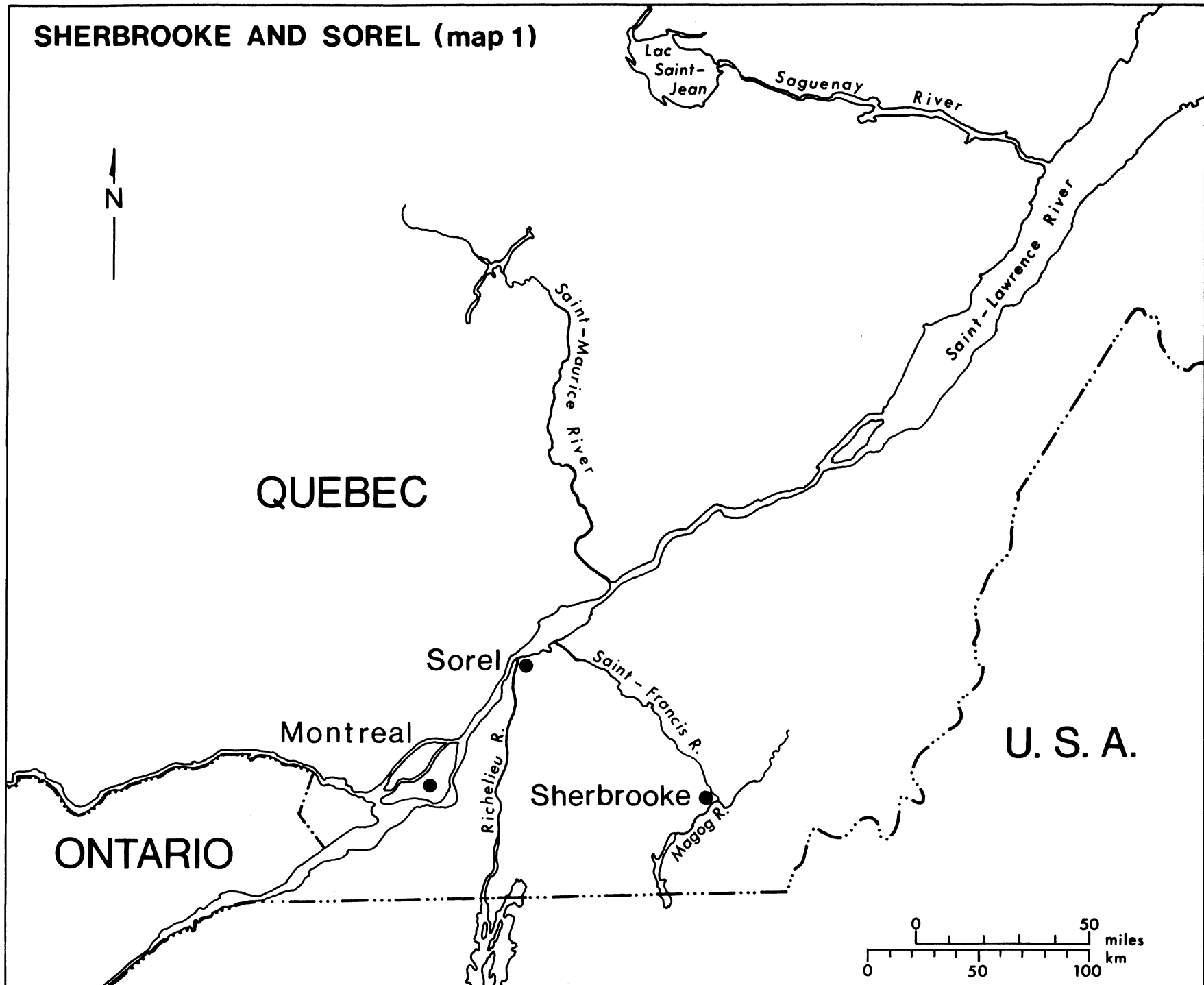
Due to the many factors capable of influencing urban development it is often difficult to isolate the role of any one factor in the process. Nevertheless an analysis of the development of two Quebec towns between the rebellions of 1837 and the outbreak of World War I offers the opportunity to assess the impact of one such factor--land ownership--because of the distinctive role that the control of land played in the growth of these centres. At the start of the period both Sherbrooke and Sorel had locations which offered attractions to merchants and industrialists (see Map 1). Sherbrooke was situated at the junction of the Magog and Saint-Francis rivers. The dropping off of the Magog into the Saint-Francis provided a potential source of power while the forests of the Eastern Townships offered raw materials waiting to be processed. Due to its location at the junction of two major navigable streams, the Richelieu and the Saint Lawrence, Sorel was an important

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<sup>2</sup> Allan Pred, Behavior and Location (Lund, Sweden, 1967), p. 9.

<sup>3</sup> James Gilmour, Spatial Evolution of Manufacturing: Southern Ontario, 1851-1891 (Toronto, 1972), p. 151.

# SHERBROOKE AND SOREL (map 1)



trading centre and a site for the building and repair of ships. At the start of the period the two cities were differentiated, however, by the fact that some of the best lands in Sorel were under the control of Great Britain, while property in Sherbrooke was almost totally owned by a London-based land company. The rate of growth of the two cities between 1840 and 1914 further distinguished the one from the other (see Table I). While the population of Sherbrooke increased by 447 per cent between 1851 and 1911, Sorel experienced an increase of only 146 per cent. Similarly, between 1891 and 1911 the number of industrial laborers in Sherbrooke tripled while Sorel saw an increase of only slightly more than 50 per cent.<sup>4</sup> As this paper will indicate, there was a strong link between the differences in land ownership in the two towns and the differing rates at which they developed.

TABLE I:  
GROWTH IN SHERBROOKE AND SOREL, 1851-1911<sup>5</sup>

| Year | <u>Population</u> |       | <u>Workers</u> |       |
|------|-------------------|-------|----------------|-------|
|      | Sherbrooke        | Sorel | Sherbrooke     | Sorel |
| 1851 | 2998              | 3424  | --             | --    |
| 1861 | 2974              | 4778  | --             | --    |
| 1871 | 4432              | 5636  | 718            | 506   |
| 1881 | 7227              | 5791  | 1260           | 404   |
| 1891 | 10097             | 6669  | 1929           | 670   |
| 1901 | 11765             | 7057  | 1891           | 672   |
| 1911 | 16405             | 8420  | 2159           | 776   |

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<sup>4</sup>Censuses of Canada, 1851-1911.

<sup>5</sup>Ibid. The data on workers as of 1901 includes only industries with five or more employees.

## II

The development of Sherbrooke was closely tied to the actions of one of the province's largest landholders, the British American Land Company. Although not established until 1833, the history of the land company goes back to 1824 when John Galt interested some London merchants in the formation of the Canada Company for the settlement of Upper Canada. Galt was not only interested in the opening of lands to farmers, however. He also had dreams of using the company's resources to erect a great city, Guelph, within the holdings of the firm. Galt spent considerable sums on the development of Guelph, but due to an uneasiness with such expenditures he was fired by the directors of the Canada Company in 1829.<sup>6</sup>

Galt reemerged in 1833 as one of the promoters of another land company, the British American. This company's primary goal was to encourage the settlement of the Eastern Townships by settling farmers on the 800,000 acres that it had acquired from the Crown. Sherbrooke, heretofore a town of little importance, was selected as the headquarters of the company because of its location near the centre of this large tract. As had been the case in the early history of the Canada Company, a conflict soon arose within the British American Land Company as to the sort of role that it should play in urban development. This debate over the management of the company's Sherbrooke lands was generally waged between the head of the company's Canadian operations, who was located in Sherbrooke and called the commissioner, and the board of directors, situated in London and identified as "the Court." The battle over company policy continued for many years and had a major impact upon the development of Sherbrooke.

The controversy was primarily over the degree to which the company should directly involve itself in the development of its land located along the banks of the Magog River where that stream dropped off into the Saint-Francis and provided a source of considerable power for industry. By 1837 the early commissioners of the company had already

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<sup>6</sup>Leo Johnson, "Guelph: The Ideology and Political Economy of Growth, 1827-1927," paper presented at conference on Canada's Urban Past, University of Guelph, May 1977. To be published in Gilbert A. Stelter and Alan F.J. Artibise, eds., Shaping the Canadian Urban Landscape (forthcoming, 1980).

invested £500 in a woolen mill, £250 in a grist mill and £600 in an iron foundry.<sup>7</sup> All of these facilities were owned and operated by the land company. This direct involvement soon met with the disfavour of the directors, however, and in 1837 the following dispatch was sent to the commissioner. "From the statements that you have from time to time submitted, there is but little possibility that the company will derive an adequate return for the capital laid out for the woolen factory; the directors are of the opinion that you had better suspend all further outlays on this branch of the establishment beyond such as may be required to prevent the building from falling into decay."<sup>8</sup> By the fall of 1837 the land company was trying to rent its industrial facilities to interested parties and seemed to be unenthusiastic about doing anything to further the industrial development of the town. This attitude persisted throughout the late 1830s and early 1840s and as a result little growth took place in Sherbrooke.

The company's role in industrial development changed with the appointment of Alexander Tilloch Galt, John Galt's son, as commissioner in 1844. It was Galt's view that the company should "endeavour to bring manufacturers to Sherbrooke and help them utilize the company's mill sites there available."<sup>9</sup> Galt refused to sell the company's rights to land along the falls, a policy that was to bring to the company much resentment in later years. He did, however, support the company's construction of factories, sometimes equipped with machinery, which could be leased to manufacturers. The company was even known to offer loans to interested parties to induce them to establish a factory in Sherbrooke. Galt's policy was successful in bringing about the establishment of a tannery, a cotton factory, a paper mill, a pail factory, a

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<sup>7</sup>Public Archives of Canada (hereafter PAC), British American Land Company (hereafter BAL) Papers, Vol. I, p. 138.

<sup>8</sup>Ibid.

<sup>9</sup>O.D. Skelton, The Life and Times of Sir Alexander Tilloch Galt (Toronto, 1966), p. 8.

joiner's shop, a machine shop, an iron foundry, a grist mill and a saw-mill by 1853.<sup>10</sup>

These policies came under attack by the London directors of the company who traditionally were sceptical about the value of investing in this town in the wilderness. The directors' view was that the company was in the real estate business, and not in the business of actively encouraging industrial development. Because of their suspicions about Galt's actions an investigator was sent to Sherbrooke in 1853. To Galt's great relief the report of Mr. Birchhoff supported his policies in the area of industrial development. "I have great satisfaction in assuring the Court [the board of directors] that no uneasiness need now exist on this point and that the proprietors will reap the full benefit of [this investment].... There is every reason to assume that the original expectation that Sherbrooke would become a resort for manufacturers will be realized."<sup>11</sup>

Galt had been personally responsible for rescuing the land company from some financial difficulties in the 1840s. Accordingly, he was able to use his personal influence to convince the directors to tolerate his policies towards Sherbrooke. Despite Birchhoff's report, however, the company retreated from its support for industrial development upon Galt's resignation from the company in 1855. Under Galt's successor, R.W. Heneker, little capital was invested in Sherbrooke during the late 1850s and early 1860s, a policy that angered ex-commissioner Galt. In a letter to Heneker in 1864 he wrote: "The Court has systematically refused to invest in any considerable manufactories without which both land and water power must remain relatively valueless. It is perfectly idle to suppose that Sherbrooke possesses any advantages over hundreds of other places for such establishments, and unless by some rare accident no capital will be thus invested here."<sup>12</sup> In this statement Galt

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<sup>10</sup> PAC, BAL Papers, Vol. I, pp. 399-403.

<sup>11</sup> Ibid., Vol. II, p. 387, letter from R. Birchhoff to directors, 26 November 1853.

<sup>12</sup> Ibid., Vol. III, p. 530, letter from Galt to Heneker, 17 February 1864.



recognized that the development of a town into an important centre was influenced by the attitude of the town's major landowners as much as it was influenced by locational factors and other natural endowments.

In the absence of support from the company industrial development lagged in Sherbrooke. Accordingly, by 1866 there were only 233 men employed in industry with no single firm employing more than 50 workers. It did not take long for public opinion to turn against the company whose policies were seen to have been at the root of Sherbrooke's problems. In 1865 a petition was sent to the provincial government complaining about the role of the company in the development of the city. "The petition of the undersigned inhabitants of Sherbrooke most respectfully sheweth that the British American Land Company retards the prosperity of this town. It has illegally appropriated the portion of the River Magog which flows through Sherbrooke. It deprives the public of the free use thereof. It imposes high charges for the use of the stream and has prevented machinists and manufacturers from profitably employing the valuable waterpowers in the Eastern Townships."<sup>13</sup> The directors of the company were immune from such complaints because of the distance that separated London from Sherbrooke. Accordingly, the Court resolved in 1866 that "it cannot consent to authorize the commissioner to pledge the company to assist in the construction of mills, or to afford pecuniary assistance in prosecuting any manufacturing business."<sup>14</sup>

Heneker, however, could not avoid being influenced by the local feelings against the company and in 1866, contradicting company policy, took an action that altered the course of development in Sherbrooke. In that year Heneker convinced Andrew Paton to establish a woollen mill in Sherbrooke by granting him a large parcel of land and water power for his factory. This granting of Magog River frontage was an exceptional act. Between 1857 and 1865 there was only one year during which the land company holdings in Sherbrooke were reduced by more than nine acres.

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<sup>13</sup>PAC, Provincial Secretary's Correspondence, Vol. DLXXXI, 12 August 1865.

<sup>14</sup>PAC, BAL Papers, Vol. XII, pp. 25997-8, resolution of 7 August 1866.

After 1866 the company returned to its tight-fisted policy with its land in the city.

TABLE II:  
BRITISH AMERICAN LAND COMPANY HOLDINGS IN SHERBROOKE<sup>15</sup>

| <u>Year</u> | <u>Acres on Hand</u> | <u>Year</u> | <u>Acres on Hand</u> |
|-------------|----------------------|-------------|----------------------|
| 1857        | 1220                 | 1871        | 733                  |
| 1858        | 1217                 | 1872        | 703                  |
| 1859        | 1031                 | 1873        | 676                  |
| 1860        | 1022                 | 1874        | 657                  |
| 1861        | 1019                 | 1875        | 633                  |
| 1862        | 1022                 | 1876        | 626                  |
| 1863        | 1023                 | 1877        | 626                  |
| 1864        | 1015                 | 1878        | 626                  |
| 1865        | 1012                 | 1879        | 630                  |
| 1866        | 778                  | 1880        | 632                  |
| 1867        | 775                  | 1881        | 625                  |
| 1868        | 767                  | 1882        | 620                  |
| 1869        | 763                  | 1883        | 621                  |
| 1870        | 762                  | 1884        | 607                  |

This exceptional action brought about rapid growth for the city. While the Paton mill was giving work to 194 workers in 1871, the figure had increased to 438 by 1877, to 540 by 1882 and to 725 in 1892.<sup>16</sup> The growth of the Paton mill prompted a movement of people into the city. Accordingly, the population of Sherbrooke increased by 63 per cent during the 1870s and by 40 per cent during the 1880s. The assistance accorded to the Paton mill also turned out to be advantageous for the land company whose public image was considerably improved. The Sherbrooke newspaper, Le Pionnier, noted late in 1886, "Sherbrooke est évidemment en voie de progrès. Outre les nombreuses constructions privées complétées cet été l'immense manufacture de laine sera bientôt en opération.... Cette ère

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<sup>15</sup>Ibid., Vol. XII, p. 2516.

<sup>16</sup>PAC, Industrial Census of Canada, 1871; Le Pionnier, 23 February 1882; Moniteur du Commerce, 3 March 1893.

de prospérité nous rapelle les plaintes portées contre la compagnie puissante sur laquelle l'on faisait retomber la responsabilité du peu de progrès de cette ville.... Il est impossible de nier que cette compagnie a fait preuve de la plus grande libéralité.... Il est notoire que l'on n'eût jamais rêvé la nouvelle manufacture sans les avantages offerts pour sa construction."<sup>17</sup>

In the aftermath of the establishment of the Paton mill both Heneker and the Court shied away from further direct involvement in the development of Sherbrooke. In 1869 Heneker wrote to the company's directors calling for "the distribution of the company's property and the gradual liquidation of its share capital."<sup>18</sup> These ideas which would have led to the winding up of the company's affairs were embodied in its new charter issued in 1871. While there is little evidence that concrete steps were taken to liquidate the company's holdings in the 1870s there is also little reason to think that the land company did anything to positively aid in the growth of the city during the decade.

During the 1880s, however, Heneker assumed the attitude of an activist towards the role of the company in local affairs. He signed a contract in 1881 with a number of local industrial concerns by which the land company promised to build a dam on the Magog River to provide more power. Two years later Heneker was even successful in convincing the Court to reverse its earlier policy and support industrial development. In a new charter granted in 1883 the company gained the power to "form or take part in the formation of any industrial company; to contribute to the capital of any industrial company and to acquire for the land company shares in the capital of any industrial company."<sup>19</sup>

Heneker had in mind the establishment of industrial firms by the land company as had been the case in the 1830s, but such a policy was far too ambitious for the more cautious directors in London. In

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<sup>17</sup> Le Pionnier, 17 November 1866.

<sup>18</sup> PAC, BAL Papers, Vol. III, p. 544.

<sup>19</sup> Ibid., Vol. I, pp. 69-76.

1885 Heneker wrote to one of his few supporters on the Court, "We have shown that we can carry on a sawmill successfully. Why then not an electric light business and a flour mill business--perhaps others? Nothing should be undertaken without caution but there are many things we could do without involving speculative risks."<sup>20</sup> Heneker was asked to provide the Court with data to support the proposed major capital outlays by the company, and when he refused to co-operate the Court proceeded to begin a full-scale study of the investments that had been made in Sherbrooke during his term in office. A general feeling existed in London that while certain proposals made by Heneker "would convey benefit to Sherbrooke they would not be likely to lead to any profitable results to the Company."<sup>21</sup> This impression was supported by the findings of the London accountant, Mr. Waterhouse, who studied Heneker's investments in Sherbrooke from 1859 to 1885. Waterhouse found that Heneker had invested almost \$100,000 on the construction of various buildings and dams to support industrial growth. Most damaging to Heneker, however, was Waterhouse's finding that "according to the last six years' accounts, the rentals of the Sherbrooke property have not covered the expenses."<sup>22</sup>

The development of Sherbrooke had always been influenced to a certain extent by the ability of the commissioner to allay some of the doubts of the directors regarding the wisdom of actively supporting local development. First Galt and then Heneker, prior to 1886, achieved some success by remaining in the good graces of the Court. After the Waterhouse report, however, Heneker's views carried little weight in London and the company was loath to aid in the development of the city. In June 1889 Heneker received a letter from his sole supporter in the company, a Mr. Paull, which noted the mood of the Court. "So far as I can judge there will be no desire to employ money in erecting mills or other

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<sup>20</sup> Ibid., Vol. VI, p. 320, letter to R. Paull, 10 January 1885.

<sup>21</sup> Ibid., Vol. III, p. 601, letter to Heneker from London office, 15 May 1886.

<sup>22</sup> Ibid., pp. 613-615, Waterhouse's report to directors, 28 December 1886.

premises, but the desire will be to get as much as possible from the properties and to put nothing into them." Paull went on to explain that Heneker was no longer trusted because he had taken on other responsibilities that presumably distracted him from what should have been his primary concern, earning profits for the land company.<sup>23</sup> Heneker could not deny this charge for by the late 1880s he was president of both the Paton Manufacturing Company, the town's most important industrial concern, and the Eastern Townships Bank, Sherbrooke's leading financial institution. The official rejection of Heneker's policy of directly involving the company in Sherbrooke's development came in 1894 when the company's charter was amended so that any projects requiring a capital outlay would be unfeasible. The new charter reduced the capital of the company and limited its ability to borrow.<sup>24</sup>

Heneker stayed on as commissioner until 1902, but neither he nor his successors, James Davidson and George Cate, were able to do any more than oversee the liquidation of the company's Sherbrooke property. As Cate noted in 1909, the company should hold on to its property "disposing of it gradually as satisfactory opportunities arise."<sup>25</sup> This policy did little to improve the company's public image. Between 1896 and 1908 the company's holdings in the city were reduced from 540 to 383 acres, but most of these sales were made to the municipal government so that it could pass the land along to interested parties to induce them to establish industries in the city. In 1905, for instance, the Sherbrooke government offered the Canadian Rand Drill Company a free grant of land to establish a factory. The parcel in question was owned by the land company and the city expected to be able to purchase it at its value set for taxation purposes. As the Sherbrooke Daily Record noted, however, "The Canadian Rand Drill Company gets the benefit, but it is the British American Land Company which gets the money. It is certain that the British American Land Company placed a price on the

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<sup>23</sup>Ibid., p. 664, letter of 2 June 1889.

<sup>24</sup>Ibid., Vol. I, pp. 79-91.

<sup>25</sup>Ibid., Vol. VII, p. 1742.

land higher than its valuation. It is equally certain that when asked to see land again the British American Land Company will set a price in excess of the valuation. The purchase price of the plot of land that goes to the Canadian Rand Drill Company furnishes another example that the land company exists more for its own interests than for the interests of the city."<sup>26</sup> The company similarly sold land to the city for the establishment of the E. and T. Fairbanks Company in 1907 and the Improved Paper Machinery Company in 1908.<sup>27</sup>

The company policy of holding on to its lands until a good price could be obtained often more visibly impeded the development of the city, however. By 1909, for example, the control of considerable land in sections of the city which were just opening up was seen as an obstacle to progress. The Daily Record commented: "At a time when so many influences are tending to make Sherbrooke a larger and more progressive city, general regret is expressed that the British American Land Company appears lethargic and uninterested in the extension of these sections where the land owned by them is situated. A real interest in disposing of the property owned by them would greatly assist in opening up the streets along which the lots are presently owned by the company."<sup>28</sup>

One further issue was a source of irritation between the company and Sherbrooke interests in the post-Heneker era. With its unwillingness to make further capital outlays for the expansion of Sherbrooke's hydraulic power the company was seen as an obstacle to further industrial growth.<sup>29</sup> The municipal government's takeover of the Sherbrooke Light, Heat and Power Company in 1908 gave rise to demands for the municipalization of the city's major source of hydraulic power. Accordingly, in 1910, in an action that largely ended the land company's role in the development of the city, the company's control of the Magog drop-off

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<sup>26</sup> Sherbrooke Daily Record, 22 November 1905.

<sup>27</sup> PAC, BAL Papers, Vol. XII, p. 2493; Vol. VII, p. 1661.

<sup>28</sup> Sherbrooke Daily Record, 13 November 1909.

<sup>29</sup> PAC, BAL Papers, Vol. X, pp. 2171-2180.

power passed to the city for \$12,000. The Daily Record's delight with this action indicated the low esteem in which the company was held by this point. "The passing of the Magog drop-off power from the British American Land Company to Sherbrooke City is a more notable transaction than may appear on the surface. The British American Land Company will no longer be an important controlling factor in the city's development. Nearly eighty years ago this company obtained the town property of Sherbrooke, and Sherbrooke has been repurchasing Sherbrooke ever since. The water powers, the controlling element in the growth of industry, have belonged to this organization, which for 2/3 of a century held the whip hand in industrial negotiations where power was required."<sup>30</sup>

Depending upon the status at any given point in time of the debate between the commissioners and the Court, the land company was seen by Sherbrooke residents as either the city's most important asset or the source of all of the town's problems. As the Montreal Gazette noted in 1886, "Sherbrooke may almost be said to have been founded by the Land Company, the beneficial results of whose operations are variously discussed. There are those who contend that this organization has been a benefactor to this section ... while there are others who hold that the immense power which it possesses ... has been upon the whole baneful."<sup>31</sup> It is necessary, however, to look beyond the land policies of the Company to recognize the full extent of the positive influence that it exerted upon the development of Sherbrooke.

Both Galt and Heneker became men of considerable influence because they headed the land company, and neither was averse to using this influence in order to foster the development of Sherbrooke. During its early years one of Sherbrooke's problems was its isolation. Industry could hardly develop in a place which was largely inaccessible to any large market. With a view towards the development of the city, Galt succeeded in having the company invest heavily in the Saint-Lawrence and Atlantic Railway to assure that the route from Montreal to Portland,

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<sup>30</sup> Sherbrooke Daily Record, 19 March 1910.

<sup>31</sup> Montreal Herald, 18 August 1886.

Maine would pass through Sherbrooke. By 1851 the land company was the second largest shareholder of Saint-Lawrence and Atlantic stock with 1000 of the nearly 13,000 shares.<sup>32</sup> The development of the city was also blocked by an absence of financial institutions. None of the chartered banks established a branch in Sherbrooke before 1871, but Heneker and Galt helped to fill this void by supporting the drive for the establishment of the Eastern Townships Bank, which was chartered in 1855 and began operations in 1859. As an indication of his ties to the bank, Heneker served as its president from 1874 to 1902. Heneker further assisted in the development of the local economy by setting the precedent of providing municipal funds to encourage the establishment of industry in the city. Having already attracted the Paton mill to Sherbrooke through his capacity as commissioner of the land company, Heneker provided the woollen mill with a \$5,000 grant while mayor of the city in 1869. From this small beginning Sherbrooke went on to provide over \$100,000 of assistance to industry by 1898.<sup>33</sup> The presence of the British American Land Company did occasionally block the progress of Sherbrooke. Nevertheless, when Galt and Heneker were able to act freely, they employed the resources and the influence of the company to promote the development of the city.

### III

Sorel was a town whose progress was impeded by a number of difficulties. Early in the nineteenth century the prospects for the town seemed bright. The commercial future seemed assured because of the city's location at the junction of two major rivers, while its role as an industrial centre seemed secure because of the interest which Montreal concerns had shown in building and repairing ships there.<sup>34</sup> Nevertheless,

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<sup>32</sup> Journals of the Legislative Assembly of Canada, 1851, appendix UU.

<sup>33</sup> Sherbrooke Daily Record, 20 January 1898.

<sup>34</sup> John Molson, for instance, won a water lot at Sorel in a draw in 1786 which several decades later he developed as a site for the building and repair of ships.



the city experienced little growth between 1840 and 1914. Sorel's merchants were hurt by the opening of the railway era which reduced the flow of goods down the Richelieu from Sorel. There were several plans to revive Sorel's commercial prospects by linking it by rail to either the Eastern Townships or the area along the south shore of the Saint Lawrence stretching as far as Lévis, but these plans for tapping new hinterlands were never carried out. In 1926 a local historian could still note that Sorel "manque encore une ligne importante de chemin de fer."<sup>35</sup> This lack of rail facilities also had an impact upon the city's failure to diversify its industrial structure during the period. In 1914, as had been the case in 1840, Sorel was largely dependent upon the shipbuilding industry, which provided only seasonal employment at the best of times.<sup>36</sup>

The local press was fond of attributing Sorel's problems to a general lack of initiative in the town. In 1895 Le Sorelois noted, "Combien de fois n'a-t-on pas répété que l'esprit d'entreprise faisait complètement défaut à la population de Sorel, et qu'à ce manque d'initiative ... sont dus notre décadence et la stagnation où sont tombées nos affaires."<sup>37</sup> Sorel did not possess men such as Galt and Heneker, local interests never even entertained the idea of establishing a locally controlled bank, and the city council more often than not refused to provide assistance to railways and industrialists. It is difficult to assign Sorel's lethargy to any one factor, but a leading cause clearly was the role played by its major landowner.

Between 1840 and 1914 some of Sorel's most valuable lands were under the control of a number of government agencies, none of which were particularly interested in the growth of the town. Sorel was situated

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<sup>35</sup> A. Couillard-Després, Histoire de Sorel (Montreal, 1926), p. 319.

<sup>36</sup> Between 1890 and 1893 the Richelieu and Ontario Navigation Company employed an average of 225 men in their Sorel shipyard during the first four months of the year, 153 during the next four months, and 132 during the final third of the year. Moniteur du Commerce, 26 October 1893.

<sup>37</sup> Le Sorelois, 22 March 1895.

in the seignery of the same name which came into the possession of the British crown shortly after the conquest. Because of the strategic importance of these lands at the junction of two major rivers the seignery was classified as ordnance land and certain restrictions were placed upon its use so as not to interfere with its employment for defense purposes. Sorel was not alone among British North American towns in having lands reserved for defense. However, while a town such as Kingston benefited greatly from the stimulus which the stationing of a garrison provided for the local economy, Sorel received only impediments to its growth as neither a garrison was stationed there nor were any substantial fortifications constructed.<sup>38</sup> On several occasions these restrictions made the use of Sorel's best lands bordering upon the Richelieu and Saint-Lawrence very difficult for merchants and manufacturers. It was ordered that the land was "to be left from year to year with a stipulation that no buildings be erected or if allowed that they may be removed wherever required by Ordnance."<sup>39</sup> In 1845 an interested party shied away from establishing a shipyard in the town when confronted with these obstacles.<sup>40</sup>

In 1856 the status of the Sorel seignery was drastically altered as 45,000 of the almost 46,000 acres in the seignery were placed under the control of the Province of Canada to be disposed of as it wished.<sup>41</sup> Most of the lands in and around Sorel were thus freed of their earlier restrictions regarding development, but another 993 acres were retained by the British War Department with the restrictions in force. Among the lands retained were the barrack reserve in Sorel at the junction of the Richelieu and Saint-Lawrence, the Victoria reserve to the south of the city, and the seigneurial domain across the Richelieu from Sorel. As one British military official noted, "The whole portion of land is

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<sup>38</sup> John W. Spurr, "Garrison and Community: 1815-1870," in Gerald Tulchinsky, ed., To Preserve and Defend: Essays on Kingston in the Nineteenth Century (Montreal, 1976), pp. 115-116.

<sup>39</sup> PAC, British War Office Papers, Vol. XXXI, order dated 21 December 1841.

<sup>40</sup> Ibid., letter dated 17 January 1845.

<sup>41</sup> Statutes of Canada, Vic. 19, cap. 45, 1856.

essential for the defense of the Province .... Buildings should not be erected and the whole property should be maintained from all depreciations in a condition available for the purpose of defense in the event of any future emergency."<sup>42</sup> In at least two cases the continuation of these restraints hindered local economic development. In 1866 the Sorel Wadding Company was informed that it could expand its facilities but with the understanding that its buildings might have to be expropriated at some later date for military purposes.<sup>43</sup> Similarly, in the same year a local shipbuilding firm was denied access to land for the construction of a deep water wharf because the land in question "was reserved by the military authorities."<sup>44</sup>

The obstacles to development remained even after the British presence in Sorel ended with the transfer of the remaining 993 acres to the Canadian Department of Militia and Defence in 1870 (see Map 2). Accordingly, in 1872 a request to purchase a lot in the city centre was turned down for military reasons.<sup>45</sup> Nor were the restrictions lifted with the further transfer of these lands to the Interior department in 1875. In that year the Sorel city council sought access to a strip of land "so as to enable the establishment of a landing place on the edge of the Saint-Lawrence for people bringing in produce from the opposite shores to supply our market. The want of a proper landing place for the purposes indicated is a great inconvenience for the public."<sup>46</sup> The Department of Interior had still not complied with this request by 1880, and local commercial activity was hindered.<sup>47</sup>

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<sup>42</sup>PAC, Department of Interior, Ordnance Lands Papers, Vol. IV, pp. 708-712, position of Colonel Levant, 12 December 1859.

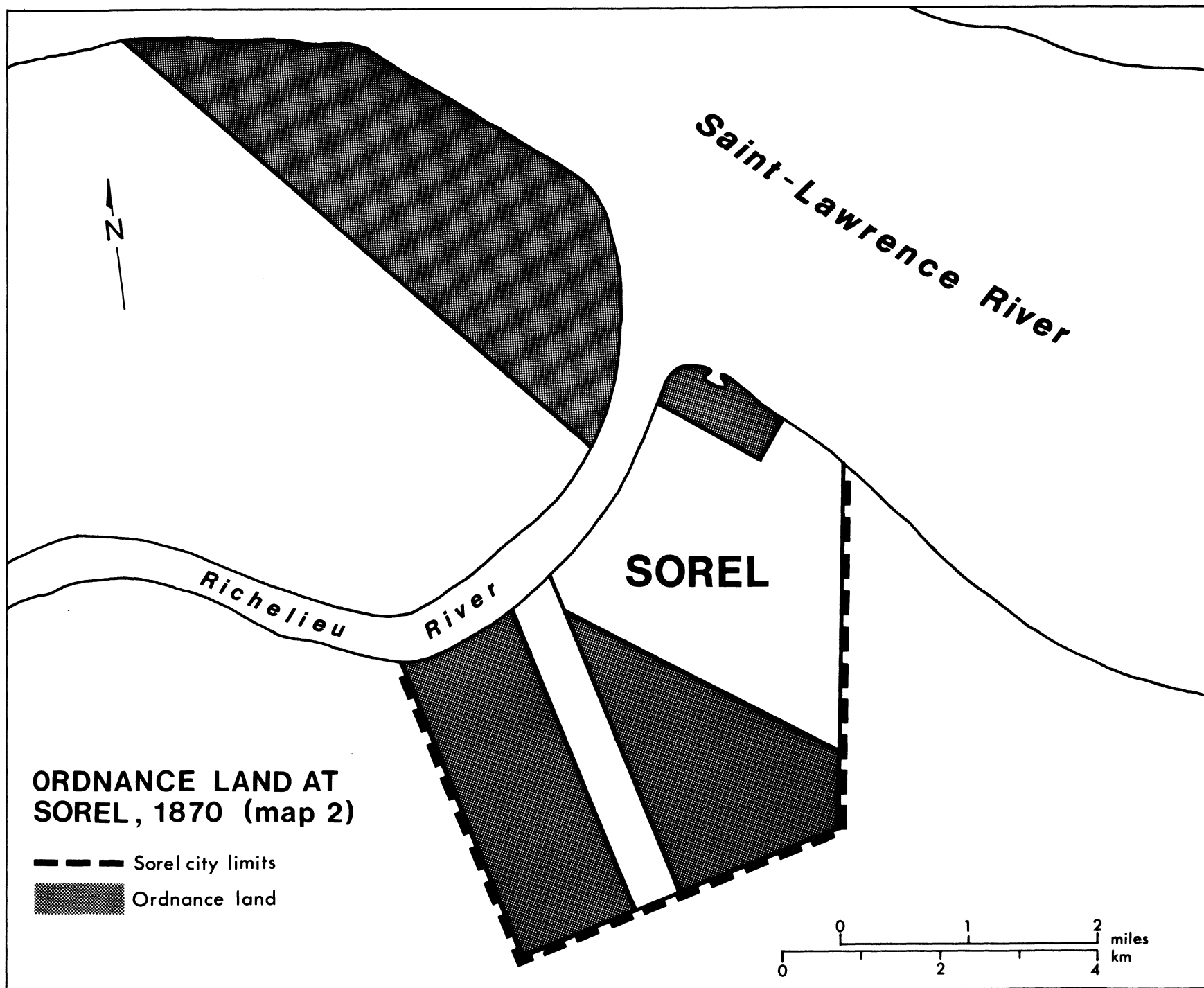
<sup>43</sup>Archives of the City of Sorel, City Council Minutes, 15 September 1866.

<sup>44</sup>PAC, Department of Interior, Ordnance Lands Papers, Vol. XII, p. 107, 13 October 1866.

<sup>45</sup>Ibid., Vol. XVII, 16 July 1872.

<sup>46</sup>Archives of the City of Sorel, City Council Minutes, 28 April 1875.

<sup>47</sup>Ibid., 17 February 1880.



The Department of Interior also continued another practice which had created some difficulties prior to 1875. Like its predecessors this department was unwilling to sell its lands, but rather granted short-term leases.<sup>48</sup> This practice created uncertainty for local business concerns which were never assured of being able to operate out of the same premises for long periods of time. Moreover, the renting of these lands created problems for the municipal finances of Sorel. In 1875 the Gazette de Sorel noted, "Ces propriétés sont, pour la plupart, louées à un prix nominal.... Au point de vue municipal, la vente de ces propriétés serait avantageuse pour Sorel. En effect, la plupart de ces propriétés sont aujourd'hui exemptes des impôts, ce qui prive notre trésor municipal d'un grand revenu."<sup>49</sup> Similarly, in 1880 the Sorel city council complained to the federal government of the "heavy burthen" upon local taxpayers that stemmed from the policy of the Interior department.<sup>50</sup> In March of that year a delegation of civic leaders went to Ottawa to advance the city's case. Despite this pleading little action was taken. In 1879 the federal government controlled approximately 62 acres within the city of Sorel, a figure that had only been reduced to 47 acres by 1902.<sup>51</sup> These final 47 acres were only disposed of by sale to the city in 1920.

That the Sorel municipal government was incapable of freeing this land from federal control before 1920 was in itself a comment upon the negative influence of the Ordnance lands upon local economic development. The municipal government regularly complained that it had insufficient revenues for ordinary expenditures because of the status of the Ordnance lands. How could one expect the government to be able to buy back these lands under these circumstances? More importantly, however,

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<sup>48</sup>PAC, Department of Interior, Ordnance Lands Papers, Vol. XXI, 16 May 1877.

<sup>49</sup>Gazette de Sorel, 7 August 1875.

<sup>50</sup>Archives of the City of Sorel, City Council Minutes, 17 February 1880.

<sup>51</sup>PAC, Department of Interior, Ordnance Lands Papers, Vol. XXIII, 19 November 1879; Vol. XXXVIII, 31 May 1902.

this financial bind prevented the Sorel government from aiding in the economic development of the city. As Table III indicates, at the close of the nineteenth century a far greater percentage of Sorel land was exempt from local taxation than was the case in Sherbrooke. As a result of this situation that stemmed from the status of the Ordnance lands, in 1894 when Sherbrooke's population was only about 50 per cent greater than that of Sorel, its revenue derived from property taxes was 355 per cent greater than Sorel's and its municipal expenditures were approximately twice those of Sorel.<sup>52</sup>

With the additional revenue Sherbrooke had provided over \$100,000 in direct grants to industry before the end of the century while Sorel had provided only \$27,000 in assistance.<sup>53</sup> Due to its financial limitations the Sorel city council refused to grant \$12,000 in 1888 to a glass company willing to locate in the city. Similarly, in 1890 the city turned down a proposal to grant \$15,000 to a cigar factory, and in 1907 it refused to provide a \$15,000 bonus to a clothing factory which had offered to pay \$100,000 in wages over five years.<sup>54</sup> The city's frugality was also evident in its dealings with railway companies. In 1872 the city council turned down a request for aid in the construction of a railway from Sorel to Montreal.<sup>55</sup> Similarly, the council refused in 1884 to provide assistance for the reconstruction of a bridge on the line from Sorel to Drummondville that had been destroyed by a flood.<sup>56</sup> In the absence of this aid the railway chose to abandon the line.

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<sup>52</sup> Archives of the City of Sorel, City Council Minutes, 14 March 1895; Le Pionnier, 9 February 1894. Sorel received \$9,000 from property taxes and had total expenditures of \$31,078. Sherbrooke took in \$41,400 from property taxes and had total expenditures of \$61,200.

<sup>53</sup> Sherbrooke Daily Record, 20 January 1898; the Sorel data were from annual reports of the city published in the local press.

<sup>54</sup> Archives of the City of Sorel, City Council Minutes, 17 March 1885; Le Sorelois, 5 September 1890, 5 April 1907.

<sup>55</sup> Archives of the City of Sorel, City Council Minutes, 15 March 1872.

<sup>56</sup> Ibid., 22 April 1884.

TABLE III:

VALUE OF PROPERTY IN SHERBROOKE  
AND SOREL, 1890-1914<sup>57</sup>

|      | <u>A: Total Value of Property</u> |              | <u>B: Tax-Exempt Property</u> |              | <u>B as % of A</u> |              |
|------|-----------------------------------|--------------|-------------------------------|--------------|--------------------|--------------|
|      | <u>Sherbrooke</u>                 | <u>Sorel</u> | <u>Sherbrooke</u>             | <u>Sorel</u> | <u>Sherbrooke</u>  | <u>Sorel</u> |
| 1890 | \$3592225                         | 2453665      | 533550                        | 836600       | 15%                | 34%          |
| 1902 | 5725423                           | 2520475      | 1238950                       | 873500       | 22%                | 35%          |
| 1914 | 12749910                          | 3867100      | 3920050                       | 1362900      | 30%                | 35%          |

Because of the passing of legislation by the Quebec government that limited the ability of municipalities to provide direct grants to industry, after the turn of the century financial assistance took on new forms. Municipalities came to grant free land and tax exemptions to parties willing to establish industrial facilities. Although the British American Land Company often asked a high price for the lands which Sherbrooke wished to pass along to industrialists, the city was at least in a position to foot the bill. Sherbrooke also had a sufficiently broad tax base to enable it to grant tax exemptions. Due to such exemptions the percentage of land in Sherbrooke that was not taxable had approached the Sorel figure by 1914. In 1890 the only Sherbrooke industry with a tax exemption was the Paton Manufacturing Company whose property was assessed at \$106,000. By 1914 there were 29 industrial firms with properties evaluated at \$1.4 million which were free from local taxes. Sorel, by contrast, was largely excluded from this practice which stimulated Sherbrooke's growth in the early years of this century. Sorel had little land to dispose of because of the control of the best lands by the government. Moreover, Sorel could hardly grant tax exemptions when the municipal tax base was already far too narrow. Both through the restrictions that

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<sup>57</sup> Quebec Sessional Papers, 1891, not numbered (municipal statistics); 1905, not numbered (municipal statistics); 1916, No. 3.

were placed upon the use of prime industrial and commercial land and through the limitations that were placed upon the municipal government to function as an agent of industrial development the Ordnance lands retarded the growth of Sorel.

## IV

The differences in the manner in which Sherbrooke and Sorel developed can in large part be attributed to the differing behaviour of the men who led each city. On the one hand, there was the dynamism of Galt and Heneker and, on the other, the lethargy which seemed to dominate both Sorel's business community and its municipal government. The problem, then, is to understand the causes for this difference in behaviour. It could be argued that Sherbrooke possessed a more promising location than did Sorel which in turn attracted more enterprising men to locate there.<sup>58</sup> By 1914 the Sherbrooke region did have the attraction of offering much in the way of agricultural goods, lumber and minerals, while Sorel was not linked to any prosperous hinterland. This situation, however, was a reflection of the greater enterprise of Sherbrooke's leaders, and not the cause for the emergence of that city's dynamic elite. The development of the Sherbrooke region, for instance, was greatly aided by the establishment of numerous branches of the Eastern Townships Bank, a Sherbrooke institution. By contrast, Sorel was the major centre on the south shore of the Saint-Lawrence during much of this period, but local interests did little to exploit this situation. The leaders of Sherbrooke were also distinguished from those of Sorel by the fact that the former were largely of English origin while the latter tended to be of French origin.<sup>59</sup> It is unlikely that this cultural difference was very important

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<sup>58</sup>Such an argument could have been forwarded by people such as Christaller, Weber and Lösch.

<sup>59</sup>In his interest in drawing attention to the non-economic factors involved in business decisions this argument might appeal to Allan Pred.



since there were other towns in the province whose leaders were franco-phones of considerable enterprise.<sup>60</sup>

While no single factor can entirely explain the differences in behaviour between the leaders of the two towns, the impact of the British American Land Company upon Sherbrooke and that of the Ordnance lands in Sorel was tremendously important. In each city the major land-owner did much to influence the attitude of local interests towards local development. While its role was not always positive, the land company did provide considerable support for economic development under Galt and Heneker. Moreover, these two men used their influence as commissioners of the company to establish a locally-owned bank and to involve the municipal government in the process of industrial development. By contrast, in Sorel the Ordnance lands often blocked private initiative and frustrated any thought that might have been entertained of using the local government as a tool for economic growth.

No attempt is being made here to argue that land ownership was the major factor in urban development. Rather, the study of two towns where the distinctive nature of land ownership was important serves to indicate the impact of entirely local factors upon urban development. The study of a number of towns that developed into important urban centres would undoubtedly indicate that each possessed a good location and a cadre of men capable of putting the site to good use. There were, however, also other towns such as Sorel which had attractive locations, but yet did not develop into important centres. Local factors, such as land ownership, often made the difference.

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<sup>60</sup> See Ronald Rudin, Saint-Hyacinthe and the Development of a Regional Economy, 1840-1895, Discussion Paper No. 15 (Toronto: Department of Geography, York University, 1977).