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THE COMPANY AND THE TOWN: A HISTORY OF THE PULP AND
PAPER TOWN OF CHANDLER, QUEBEC (1912-1971)

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ABSTRACT

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THE COMPANY AND THE TOWN: A HISTORY OF THE PULP AND
PAPER TOWN OF CHANDLER, QUÉBEC (1912-1971)

This is a case study of a single industry company town, Chandler, Quebec, located on the Gaspé Peninsula. Foreign capital has played a rôle in the pulp and paper mill in Chandler. The study analyzes the several corporations that have operated the mill.

Industrialization has resulted in the development of working class consciousness. Before 1915, Gaspésians comprised a folk-society revolving around economic pursuits of fishing and lumbering; but rapid industrialization has not created social disruption.

The social class separation characteristic of Chandler continues a regional pattern that preceded industrialization by generations. Although wages were low in early years, working conditions poor and social mobility limited, industry has been beneficial to Chandler by creating well-paying jobs that provide meaning to workers.

The conclusion examines similarities and differences between Chandler and other areas in Quebec and Canada that have been studied by social scientists.

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The author is indebted to several people without whose assistance this study would have never been completed. The Chandler residents provided invaluable information and patiently tolerated questions that at times must have struck them as curious; many taxed their memories to recall details of events that had happened twenty, thirty and fifty years earlier. They permitted the author to tape record the interviews, which was tremendously helpful. Professor Stephen J. Scheinberg suffered through several thoroughly disorganized early drafts of the study and provided the necessary guidance, direction and suggestions to help create order out of chaos. The author's wife, Mary Ann, spent many evenings squinting at scrawled handwriting and typing with a dedication exceeded only by the bravery in undertaking the task. The author's mother, Elva, provided advice in organization and writing style while his father, Boris, extended technical assistance. A kind librarian at Harvard's Baker Library assisted the author in locating corporate records buried deep in the files. Two clerks at Chandler's City Hall helped the author sort

through the dusty and fire-charred town records. Gaspesia Sulphite management officials opened corporate files to the author, provided honest information in interviews and took the author on an impressive tour of the plant.

INTRODUCTION

The author was intrigued by the opportunity that a study of the pulp and paper town of Chandler, Quebec presented to throw light on issues that have concerned social scientists. Chandler is located on the remote Gaspé Peninsula in Eastern Quebec. For centuries it remained a quiet fishing village that suddenly was transformed into a small industrial center in the early years of the twentieth century. The company that financed construction of the original pulp mill was a United States firm. A large percentage of the work force at the mill has been French-Canadian. Possible questions to examine were:

1. How did industrialization change the life-style in a remote rural area?
2. What were relations between English-Canadians and French-Canadians?
3. What kind of social class structure evolved and how did it differ from a pre-industrial class structure?
4. What implications did foreign investment have?
5. What kind of trade unions developed?
6. How does data from this study compare to conclusions drawn by other students of Canadian and Quebec history and sociology?

The research led to a focus on two problems:

1. The effect of industrialization on Chandler society. This detailed examination of the effects of industrialization on one community portrays a relatively smooth transition from pre-industrial to industrial society. Social scientists disagree sharply about the effect that industrialization has had on Quebec society. Everett Hughes, author of French Canada in Transition, and Horace Miner, author of St Denis: A French Canadian Parish, developed a concept of the folk society to describe traditional Quebec pre-industrial society. Both had doubts about how the folk society could adjust to industrialization. Jean-Claude Falardeau, in his article, "The Changing Social Structures of Contemporary French-Canadian Society," has claimed that industrial development completely disrupted Quebec society. Philippe Garigue, in his article, "Change and Continuity in Rural French Canada," has pictured a continuity between rural and industrial Quebec.

2. The effect of industrialization on social class structure. A very clear picture emerged from this study of a stratified class structure in Chandler with limited upward social mobility for workers. The conclusions of this study do not agree with those of Rex Lucas who, in his book, Minetown, Milltown, Railtown: Life in Canadian Communities of Single Industry, comes to the conclusion that social class divisions are not evident or important in single-industry communities in Canada.

The author began the research by assuming that Chandler would provide a case study of American investment in Canada that would be helpful towards understanding the role of United States capital in Canadian economic development. However, further research tended to minimize the importance of both United States and foreign capital in Chandler. Industrialization and its implications for class structure have emerged as far more important considerations than the nationality of capital. To illustrate this point, the author summarizes the findings of Robert L. Perry in his study, Galt, U.S.A.: The 'American Presence' in a Canadian City, and compares Galt to Chandler.

The author addresses two central questions throughout this analysis of Chandler:

1. What important historical changes have taken place in Chandler during the twentieth century?
2. Have the benefits of industrialization outweighed the costs for the people of Chandler?

Although the importance of foreign capital is not as great as the author originally assumed, it is a theme that merits some discussion and will be considered in the conclusion.

PART ONE

THE SETTING

The town of Chandler is located on the Baie de Chaleurs coast of the Gaspé Peninsula in Eastern Quebec, Canada. Chandler lies 610 miles northeast of Montreal and 445 miles northeast of Quebec City.¹ Figure 1 shows the location of the Gaspé Peninsula in relation to northeastern areas of Canada and the United States; Figure 2 shows in greater detail the location of Chandler near the tip of the Gaspé Peninsula. Geographic isolation has decisively influenced historical, social and economic developments in the Gaspé.

¹Esso road map of Quebec.

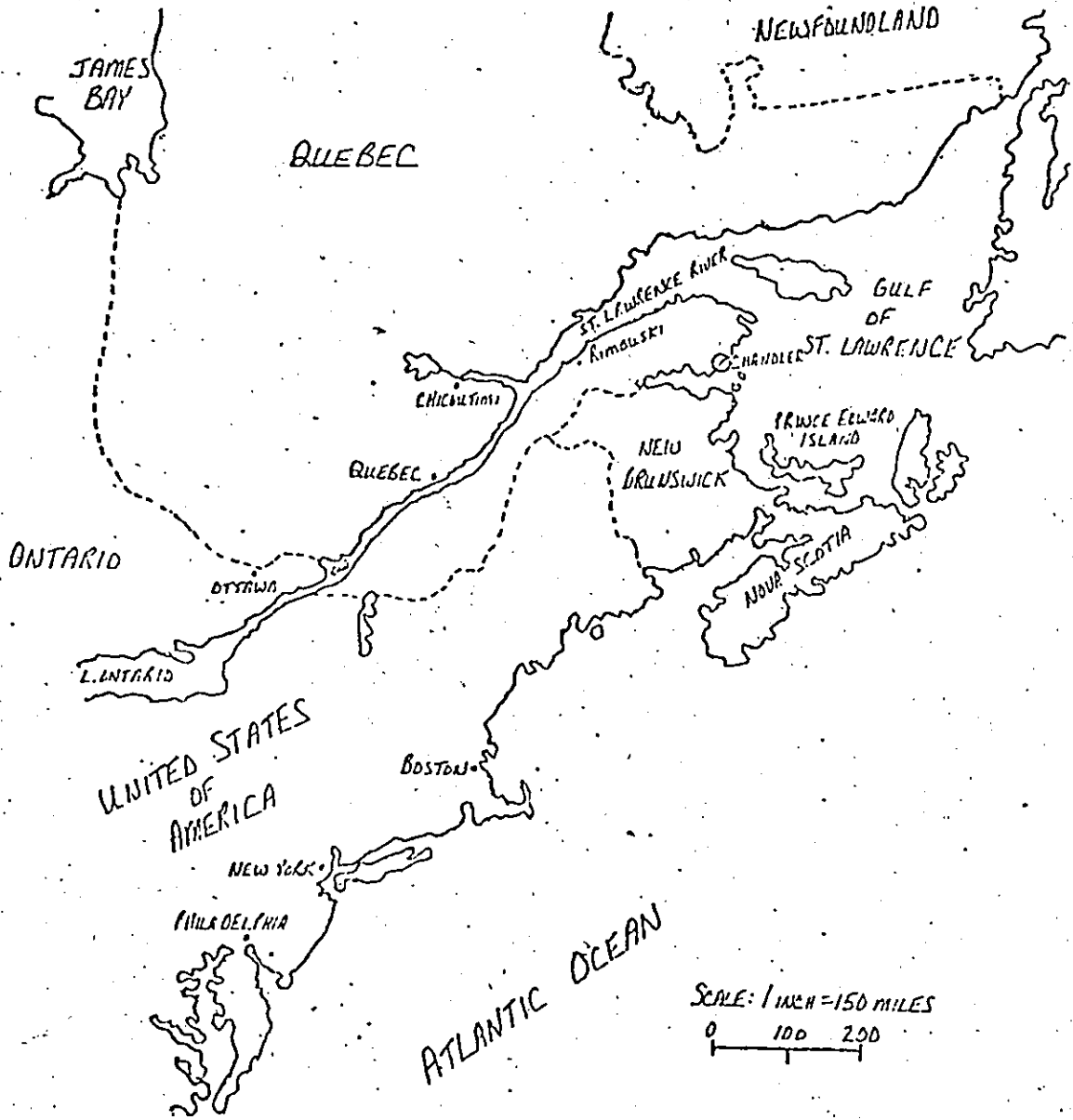


Figure 1: Map of Southern Quebec, surrounding Provinces and bordering United States

SOURCE: Corporations Records Collection, Baker Library, Harvard University, Cambridge, Mass. (hereafter cited as Baker Library).

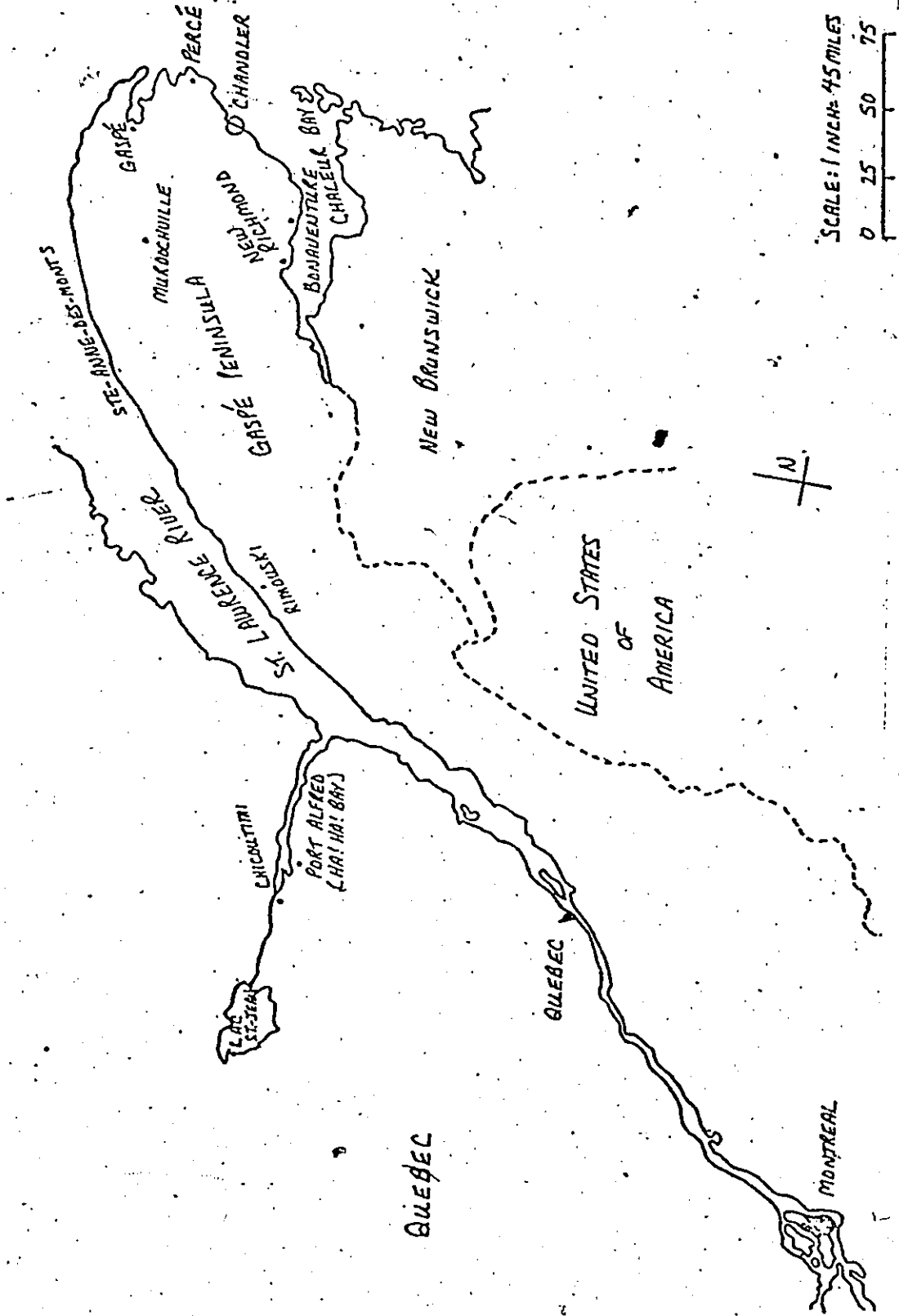


Figure.2. Map of Southern Quebec and the Gaspé Peninsula

SOURCE: Baker Library.

CHAPTER 1

WHO WERE CHANDLER'S PULP WORKERS?

Some Historical Background on the Gaspé Peninsula

The Micmac Indians were the first permanent residents of the Gaspé Peninsula. Although the Micmacs have lived in the Gulf of St. Lawrence area and in what are now the Maritime Provinces for hundreds of years, historical evidence indicates that Micmac occupancy of the Gaspé is a relatively recent phenomenon. Bernard Hoffman argues that the Micmacs first occupied the Gaspé in the mid-sixteenth century, arriving there after the end of hostilities between them and the Laurentian Iroquois.²

The Micmacs

were a typically migratory people who lived in the woods during the winter months hunting moose, caribou and porcupine, then moved down to the seashore in spring to gather shellfish, to fish at the mouths of the rivers and to hunt the seal near the coast.³

²Bernard Hoffman, "The Historical Ethnography of the Micmacs of the Sixteenth and Seventeenth Centuries" (Ph.D. dissertation, University of California, Berkeley), cited in Canada, Department of Indian Affairs and Northern Development, The Micmac Indians of Restigouche: History and Contemporary Description, by Philip K. Bock. Anthropological Series no. 77; National Museum of Canada, 1966, p. 3.

³ibid.

European adventurers had preceded them; archaeological evidence places Norse fishing posts in the Gaspé at dates in the eleventh and twelfth centuries.⁴ Norman, Breton and Basque fishermen frequented the Gaspé Coast during the summers in the sixteenth and seventeenth centuries. Jacques Cartier's first Canadian landing in 1534 was near the present site of the town of Gaspé.⁵

The first permanent settlement of Europeans was established in 1640. In 1655, King Louis XIV of France granted the entire Gaspé Peninsula as a seignory to Nicolas Denys. Denys was charged with establishing settlements connected with stationary fishing operations, but the first French attempts at colonization failed as a result of English attacks. French fishermen fell victim to the colonial war between France and England. Each English raid destroyed local fishing communities and drove the frightened fishermen into the woods. Percé was destroyed by raids in 1690 and again in 1702.

In 1690

Les ennemis de l'État ayante téné une descente à terre: . . . pillèrent, ravagèrent et brûlerent les maisons des habitants qui sont bien au nombre de

⁴ Alfred Pelland, La Gaspésie: esquisse historique: ses ressources, ses progrès et son avenir (Québec: Ministère de la Colonisation, des Mines et des Pêcheries, 1914), p. 101.

⁵ Carmen Roy, Littérature orale en Gaspésie (Ottawa: Musée National du Canada, 1962), p. 5.

huit ou dix famille et qui pour le plupart s'étaient réfugiés dans les bois.⁶

Gaspé, Mont Louis, Pabos and Grand River were destroyed in 1758 by English raids. Major Dalling led the Mont Louis attack, which destroyed houses and the church, seven fish storage warehouses and their contents, 600,000 kilograms of codfish. General Wolfe led the attack on Gaspé.⁷ As a result of these raids, French fishermen began abandoning the Gaspé Coast in the second half of the eighteenth century.⁸

In the last few years of the century, English-speaking people began to settle along the Gaspé Coast. Approximately thirty families from the Jersey and Guernsey coasts of England arrived in 1776. In 1784, 200 Loyalist families from the United States established the new towns of Douglstown, New Carlisle and New Richmond along the Gaspé Coast, having been awarded generous land grants by the British government. Following the passage of the Act of Union by the British and Irish Parliaments, in 1801 scores of Irish immigrants settled in the

⁶Pelland, p. 16.

⁷Charles Eugene Roy and Lucien Brault, Historical Gaspé (Quebec: Au moulin des lettres, 1934), pp. 153-54; Margaret G. MacWhirter, Treasure Trove in Gaspé and the Baie de Chaleurs (Quebec: Telegraph Printing Co., 1919), pp. 3-5; Jacques Crevel and Maryvonne Crevel, Honguedo ou l'histoire des premiers Gaspésiens (Québec: Libraire Garneau, 1970), p. 166.

⁸Carmen Roy, pp. 5-6.

Gaspé. The number of Irish immigrants was swelled by deserters from the British Navy during the Napoleonic Wars.⁹

Thus, four waves of English transformed the Gaspé coast, for a few years, into an English enclave in French Canada. First came the British Navy to terrorize and drive away the French fishermen. Then came the British capitalists (Robin and Company) to take over the fishing business. Next the Loyalist gentlemen-farmer refugees from the American Revolution gained control of choice lands. The last to settle in the area in this period were the Irish rebels.¹⁰

English-speaking inhabitants were in the majority for only a few years before the French population began increasing rapidly in the early years of the nineteenth century. A few French fishermen had remained from earlier years and several Acadian families crossed the Baie de Chaleurs between 1755 and 1757 to escape deportation. The British Governor, Lawrence, put a £25 price on the head of each Acadian prisoner "dead or alive." Many Acadian families hid in the Gaspé woods for years until they legally obtained title to Gaspé land in 1825.¹¹ In the middle of the nineteenth

⁹ *Ibid.*, pp. 5-15. ¹⁰ *Ibid.*, p. 13.

¹¹ Carmen Roy, pp. 5, 14; Crevel and Crevel, pp. 118-19.

century French-Canadians began pouring into the peninsula. Most were from the Quebec City area, attracted to the coast by opportunities for profit in the growing fishing industry. A large majority of these migrant families had been settled in Quebec for several generations. By 1871, the population of the Gaspé was 64.9% French-Canadian, but that percentage steadily rose until, in 1961, the region was 85% French-Canadian.¹²

The Gaspé Peninsula in the eighteenth and early nineteenth centuries was characterized by small fishing villages isolated from each other and the outside world by primitive or non-existent communication and transportation facilities.¹³ The main forms of transportation were fishing boats in the summer and snowshoes in the winter; no rural roads were cut through the woods until 1832. The Baie de Chaleurs road stretched only from Matapédia to Gaspé in 1847; it was not extended around the entire peninsula, from Matane to Gaspé, until 1927. The first railroad tracks were laid down from Matapédia to New Carlisle in 1893; the ninety-eight mile stretch from New Carlisle to Gaspé was not completed

¹²22,501 French-Canadians lived in the Gaspé in 1851 compared to 12,151 English-Canadians. By 1951, while the number of French had skyrocketed to 85,699, English-Canadians only increased to 17,952. Carmen Roy, pp. 6, 15.

¹³Carmen Roy, p. 15.

until 1911.¹⁴

Codfishing remained the major occupation until the pulp mill opened in Chandler in 1915. Fishermen throughout the Gaspé brought their catches to Charles Robin and Company for sale on world markets. Charles Robin, an enterprising merchant from the Jersey coast of England, arrived in 1766 and established headquarters in Paspébiac on the South shore of the Gaspé Peninsula between Chandler and Bonaventure. Robin soon succeeded in monopolizing the merchandizing of fish all throughout the Gaspé, sending Gaspesian fish to markets in Portugal, the Mediterranean ports, Brazil and the Antilles. The Robin Company was one of the earliest organized business enterprises in North America. In fact, this operation was "after the Hudson, the first well-syndicated business in North America directed to a single, definite end."¹⁵

By 1836, Robin had established additional offices in Grand River and Percé. Philip and Jacques Robin were the chief administrators, neither living in the Gaspé. Philip traveled in France and Italy, while Jacques made his home on the Jersey Coast. Six commissioners were assigned responsibility for the three

¹⁴Pelland, pp. 59, 144; Carmen Roy, p. 1; Robert Rumilly, La Gaspésie: enquête économique (Montreal: Simpson, 1944), p. 160.

¹⁵John Mason Clark, L'île Percée: The Filial of the St. Lawrence (New Haven: Yale University Press, 1923), p. 163.

offices in Paspébiac, Grand River and Percé. Strict rules governed commissioners' lives and conduct: they had to be unmarried or, if they were married, their wives could not live with them in the Gaspé. The commissioners were chosen at age fourteen and trained by the Robin Company in England. In alternate years, one commissioner from each Gaspesian office spent the winter in Jersey to give an accounting of the company's Gaspesian affairs. Robin's employees were customarily recruited from Jersey at the age of thirteen or fourteen and underwent training similar to that laid down for commissioners. The rigors of company discipline were well-established and undeviating:

La cloche sonnait le réveil; la cloche appelait les hommes au travail; la cloche invitait tout le monde aux repas etc. Le coucher lui même ne devait pas se faire après un certaine heure. Les menus de chaque repas de la semaine étaient détaillés sur une liste gardée au magasin et à la cuisine. Le jeune homme devait se pouvoir de l'autorisation de la compagnie avant de prendre une femme, autorisation de son temps de service, de sa compétence et de son salaire. Ce régime s'explique par le fait que la compagnie qui se recrutait en Jersey, amenait ses employés des l'âge de treize ou quatorze ans, pour les somettre à un long apprentissage et une éducation solide.¹⁶

In many ways, the Robin Company's domination of the Gaspé fishing industry foreshadowed the Chandler company town experience under the domination of the

¹⁶ Charles Eugene Roy, Percé: sa nature, son histoire (Percé: Albin Leblanc, Bishop of Gaspé, 1947), p. 162; John Mason Clark, The Heart of Gaspé (New York: Macmillan Co., 1913), pp. 184-85.

mills. For over a hundred years the Gaspé was virtually a company peninsula. In 1783, Robin introduced the "trunk system" already popular in Newfoundland. Fishermen were paid one-half in cash and one-half in goods from the Robin Company stores. Since these had no competition, fishermen were forced to spend their cash "wages" there as well; in addition, Robin often gave the men credit for goods. The effect of the trunk system therefore was that men worked all summer catching hundreds, perhaps thousands of dollars worth of fish, only to wind up with bare subsistence provisions. Nor did the fishermen ever know whether or not they were being cheated, since Robin's accountants handled all the calculations.¹⁷

Fishermen were thus virtual slaves. Abbé Ferland described conditions in Paspébiac in 1836:

The inhabitants of Paspébiac are completely dependent on the house of Robin. When the government decided to make grants of land to people, M. Charles Robin, who held absolute authority here, persuaded fishermen that it would be more to their advantage to have each but one piece of ten acres, for the reason that cultivation on a larger scale would take their time from the fisheries. They allowed themselves to be so persuaded and now repent of their folly. These small pieces of land furnish but a little amount of pasture, and the owners of them are obliged to buy everything at the stores of the company, who sell to them on credit and to whom they are always in debt.

When they endeavor to shake off their bondage and carry their fish to other markets, they are

¹⁷ John Mason Clark, The Heart of Gaspé (New York: Macmillan Co., 1913), pp. 183-184.

threatened with a summons for debt before the tribunals of which they have a great dread. They are forced to submit to the yoke and expiate their effort at emancipation by a long penance.

The regulations imposed on the agents forbid them to advance anything to the fishermen before a set time; the stores may be full of provisions, but not a biscuit can be given out before the hour set. As the fishermen are only paid in goods, they can not lay by anything for the future; when they have been furnished with whatever is necessary, their accounts are balanced by objects of luxury. So it comes about that the girls here wear more finery than the grand people of the faubourgs of Québec.

Schools are proscribed. 'There is no need of instruction for them,' wrote M. Philip Robin to his commissioners; 'if they were educated, would they be better fishermen?' . . . The fisherman is always in debt to the proprietors, always at their mercy, liable whenever his debts have got to the point where they can not be paid by the fisheries to be put on board any of the ships of the company to make a voyage to Europe as a sailor. So frequently one finds fishermen who have made a voyage to Jersey, Lisbon, Cadiz, Messina, Palermo.¹⁸

While the fishermen struggled along at bare subsistence level, the profits rolled in to Robin's coffers. As an oldtimer recalled: "Oh, my God, they made a profit. You always owed them; a lot of people were in debt. They were just like the Hudson's Bay. Robin's was Bishop¹⁹ in those days. They controlled everything."²⁰ The Robin Company's exploitation of Gaspesian fishermen did not, however, go entirely unchallenged. In the first

¹⁸ Ibid., pp. 186-187

¹⁹ Meaning that Robin's was top man or ruler.

²⁰ Informant 8. For an explanation of the interviewing methodology and form of footnotes see Appendix.

decade of the twentieth century, the fishermen at Fox River went on strike against Robin, demanding higher prices for fish. Angry fishermen assaulted managers, destroyed company property and marched down to the neighboring community of L'Anse à Gris-fonds. The fishermen gathered more supporters as they swarmed "in riotous disorder."²¹ In fact, "the country was afire."²² But when the government sent a boatload of soldiers from Halifax, the fishermen panicked at the sight of the troops, and the brief rebellion collapsed. Sixteen fishermen were arrested but later released because there was no room for them in the jail in Percé and because local authorities did not wish to assume the expense of feeding sixteen prisoners.²³

Traditionally, men in the Gaspé fished in the summer and worked in the woods in the winter. Woodsmen lived a tough life, spending all winter in logging camps working hard from sunrise to sunset. They cut and hauled wood for the sawmills and logging companies that had begun operating in the Gaspé in the nineteenth century. Workers were often paid in "beaus" instead of cash, creating another quasi-company town situation. Accidents were frequent and pay was low, an average of \$7 a month.

²¹ Clark, L'île Percée, p. 197. ²² *Ibid.*

²³ *Ibid.*, pp. 198-99.

Because pay was based on pieces hauled, the system favored those who could afford to buy the best horses. Twenty-five to thirty men lived together in the same tent, or shack, subsisting on a diet of pork and beans, hard tack and pea soup. Informants recalled the bitter poverty and harsh living conditions in the logging camps.²⁴

. . . the heartbreaker was that we were never paid a cent for any of our work, summer or winter, and we were given a credit slip called a "beau" that was presented to the merchants when we needed food or things that were available. There was no 'serve yourself' counter. The men were not educated so it is only the Good Lord who knows how much was missing on our 'beaus'.²⁵

The rural character of Gaspesian society is evident not only in the occupations of fishing, logging and farming but also in the size of families. According to French consul Gaudree-Bouilleau, who studied population trends in the 1860's, families with eighteen to twenty children were common.²⁶ Social life also followed traditional rural patterns. According to an informant, "We were all friends, we all knew each other."²⁷ Four or five families would gather regularly to tell stories,

²⁴ Informant 11; Informant 13; Informant 8.

²⁵ William J. Rooney, "The Recollections of an Irish Gaspesian," Revue d'histoire de la Gaspésie 1 (October to December 1963): 187 (hereafter cited as RHG).

²⁶ Leon Gerin, "The French-Canadian Family - Its Strengths and Weaknesses," in French-Canadian Society, 2 vols., ed. Marcel Rioux and Yves Martin (Toronto: McClelland & Stewart, 1969), 1: 33-34.

²⁷ Informant 8.

sing songs, dance to fiddle music and share drinks. A big event in the life of each fishing village was the arrival of rum ships from Barbados.²⁸

The close-knit nature of Gaspeian society can be envisioned from this observation of Msgr. Plessis in 1811:

Ces hereux colons qui savent mourir sans médesin, savent aussi vivre, sans avocat. Ils n'ont nulle idée de la chicaine hon plus que de l'injustice. . . . Lis ignorant l'usage des clefs and de serruses, et rirarent de celui qui firmesait sa maison autrement qu'on loquet, pour s'en éloignes de deux ou trois lieues.²⁹

Practices of mutual aid were widespread. Gaspeians helped each other build and repair fishing boats. If the head of a household became ill, five or six of his neighbors arrived at his house to haul, cut and pile wood in his shed, to cut hay and dig potatoes.³⁰

Modern Chandler is located at the western tip of the historical seignory of Pabos which Governor Frontence (1672-98) granted as a fief to Paris-born government functionary René Hebert (1696). Basque fishermen frequented the area in the summer at least as early as 1700 and perhaps earlier. The parish of Pabos was established in 1750 with a population of 100-200. Most inhabitants were Breton and Norman ship captains and fishermen. Historical records show that Pabos was an important, prosperous fishing community between 1750

²⁸ Informant 19. ²⁹ Pelland, p. 67. ³⁰ Informant 8.

and 1758, when it was destroyed in the same raids that put an end to the settlements at Grand River and Mont Louis. The English force which conquered and virtually depopulated Pabos in that year was led by Captain Irving, who had been dispatched by General Wolfe.³¹

Resettlement was a slow process. A few fishermen came back after the English fleet left. A small number of Acadian refugees moved to the Pabos region between 1765 and 1781. In 1797, Felix O'Hara, from Gaspé, acquired the seignory of Pabos and brought several Irish families. The Pabos seignory was a typical Gaspé coast small community. The main occupations were fishing and lumbering, although some small-scale family farming began in the second half of the nineteenth century. Local merchants supplied fishermen with abundant food, clothing and staples in exchange for their catches of codfish. For many years the region remained free of the pervasive influence of the Robin Company. The two basic ethnic strains were French-Canadian and Irish. In 1868, for example, of 77 children confirmed in Pabos, 48 were French-Canadian and 29 were Irish.

An upsurge in the area's economic activities began in 1904. That year the Canadian government built a wharf and soon lobster fishing operations began adjacent to

³¹ Marc Laterreur, "Notes historiques sur Pabos," RHG 1 (January to March 1963): 18-19; Carmen Roy, p. 5.

the wharf. In 1908, King Brothers built a sawmill that employed dozens of men in lumbering operations.³² The men spent the winter in camps deep in the woods, working from 5 a.m. to 7 p.m. for an average wage of 50¢ a day. The work was hard and, although it was a rough life, informants recalled that the men who worked in the woods were big, tough men who often lived to be 90. Hardships that stuck in the minds of informants were the rotten food served in the camps and the fact that men had to supply their own blankets, tea and sugar.³³

Fishermen, lumberjacks and farmers from all over the peninsula converged on Chandler when the pulp mill opened in 1915. Some typical Irish working-class families who came to Chandler from the Pabos area were:

1. The R_____s.³⁴ The first R_____ migrated from Ireland to Grand Pabos in 1822. There he fished and farmed a little. His sons and grandsons were also fishermen. One of his great-grandsons began working as a guide for American tourists on a salmon river in 1890;

³² Laterreur, p. 19; Chandler, Album souvenir cinquantaire ville de Chandler (1966); Crevel and Crevel, pp. 122-23; Carmen Roy, p. 5.

³³ Informant 3; Informant 19; Informant 8.

³⁴ In order to protect the anonymity of informants, the author has combined backgrounds of several families to create composite sketches. These sketches are unfortunately limited to Irish families because all of the working class informants interviewed whose families were in the area before 1915 were Irish.

when the mill opened, he began work there as a foreman. His children and grandchildren also worked at the mill.

2. The O'R_____s. O'R_____ migrated from Ireland to New Brunswick in 1848, when so many Irish families were leaving to escape the potato famine. His three sons fled the Miramichi fire in 1869 and settled in Pabos, where they fished or farmed in the summer and worked in the woods in winter. Their grandsons tried a variety of jobs: two worked in Chandler as barbers and several worked at the mill. One quit the mill to go back to fishing. All great-grandchildren worked at the mill.

3. The G_____s. G_____ emigrated from Ireland to Grand Pabos in 1863 and there he fished and farmed. One of his sons became a government woods ranger; another farmed and acquired a large plot of land; a third was the postmaster of Pabos. All great-grandchildren worked at the mill.

4. The S_____s. S_____ emigrated to New Richmond in 1833. When the parents of his prospective wife became skeptical of his wild ways, S_____ eloped with the woman, rowing across the Bay of Chaleurs and settling in Little Pabos. S_____ fished and farmed, as did his ten sons. One of the sons was an amateur sculptor and artist who carved canes in the shape of serpents and cut intricate paper patterns, despite his

huge lumberjack hands. He also made children's toys but never received any money for his handiwork. One day an American tourist saw his work and asked him "Why don't you come to New York? All those things you make--people'd pay to see that." "I haven't got time," replied S_____. "I'm fishing." The S_____ grandchildren fished and the great-grandchildren worked at the mill.

Except for its relatively large concentration of Irish families, the Chandler area was a microcosm of the Gaspé Peninsula. By 1912 it had become clear that construction of a pulp mill in Chandler would transform the quiet fishing village into a modern industrial town. Chandler was destined to become the economic center of the Gaspé Peninsula for most of the first half of the twentieth century.

PART TWO

CORPORATE HISTORY

The Chandler pulp mill has been owned and controlled by a variety of corporations, all based in metropolitan centers outside the Gaspé region. British and United States companies have predominated, although French-Canadian capital played a significant role in earlier years.

This section examines each company that has been involved with the Chandler mill. Emphasis is placed on a study of the interests controlling the companies and the economic performance of the corporations.

The depression marks a turning point in the corporate history of Chandler. Between 1912 and 1930 the Chandler mill was a virtual corporate football, kicked around from one weak company to another. Four separate corporations owned the Chandler mill in that fifteen year period. In 1937, however, the Chandler mill was purchased by a large and successful corporation. The only change in corporate control between 1937 and 1971 involved a merger between the parent company and another large pulp and paper manufacturer.

CHAPTER 2

THE FIRST COMPANY: ST. LAWRENCE PULP AND LUMBER CO. (1912-1915)

The St. Lawrence Pulp and Lumber Company was organized and financed in December, 1912 by Percy Milton Chandler, W.F. Fuqua, and Robert F. Whitman, all of Philadelphia. The company acquired timber rights to 648 square miles of Crown land on the Gaspé Peninsula in Eastern Quebec (see Figure 1). St. Lawrence Pulp and Lumber Company was incorporated under the laws of the state of New York in January, 1913.¹

Percy Milton Chandler, after whom the town of Chandler was named, was the president and chairman of the Board of Directors of Chandler and Company, a Philadelphia investment banking firm with international interests and offices in Philadelphia, Lancaster, Pa., Boston, New York and London. The company acted as "fiscal agents" for the Republic of Bolivia and the Republic of Costa Rica. Chandler was also president and director of Brandywine Farms, Corp., Pennfar Realty Co., P.H. Butler Co., and director of Philadelphia

¹Moody's Manual of Railroad and Corporate Securities (1913), p. 4622.

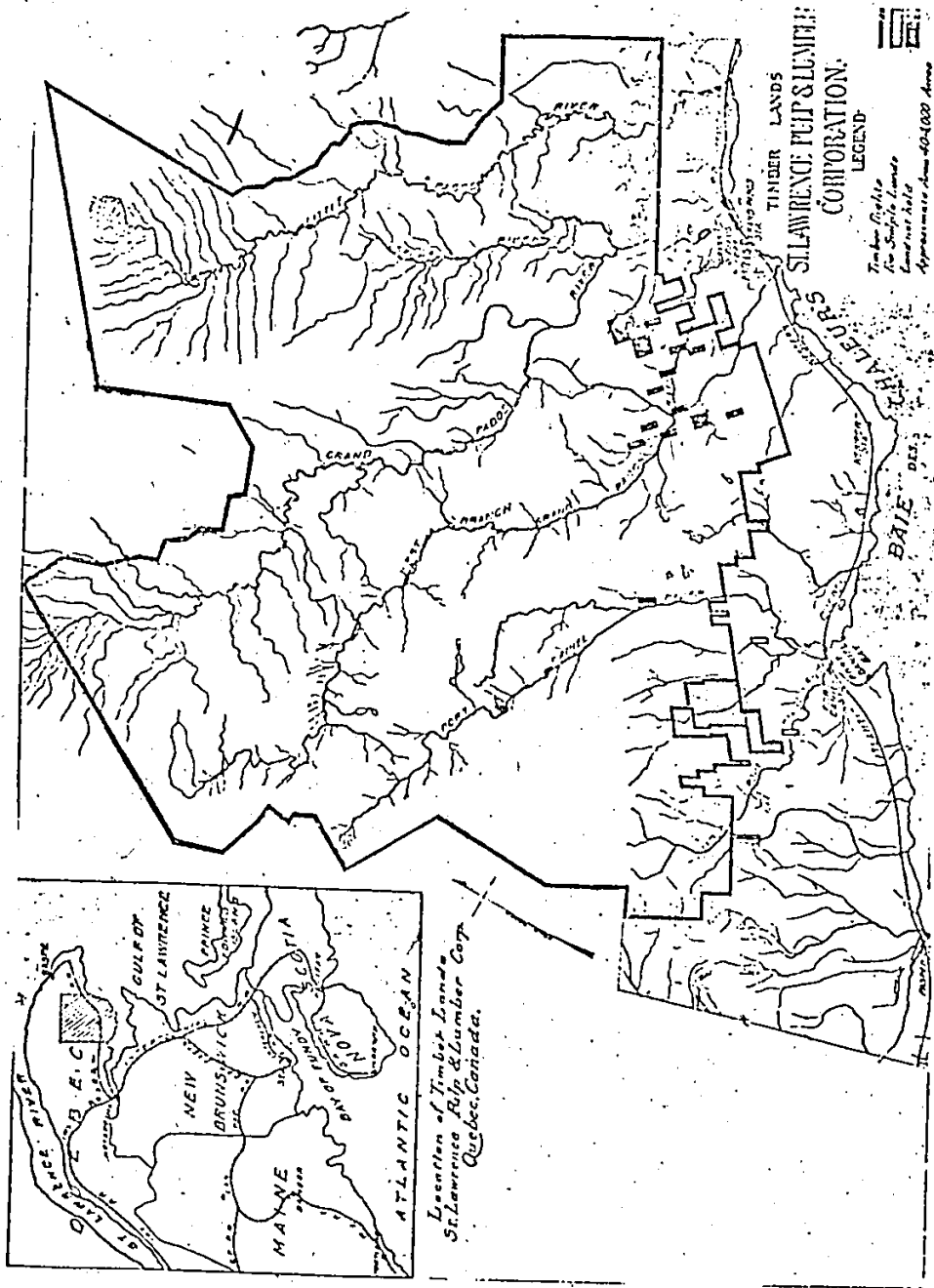


Figure 1.
SOURCE: Chandler and Company, "An Evergreen Empire," 1913, Baker Library.

Dairy Products Co., as well as of the National Food Products Corp.²

W.F. Fuqua was the head of W.F. Fuqua and Co., a banking firm in Philadelphia. Robert Whitman was the pulp specialist among the three early investors; he served also as president not only of the St. Lawrence Co., but also of Parsons Pulp and Lumber Co. (West Virginia); Champion Lumber Co. (North Carolina), and of another lumber company, William Whitman and Sons Inc. (Philadelphia). W.H. Sharp was the president of the Company and member of the first St. Lawrence Pulp board of directors. He was also president of Jessup and Moore Paper Company of Philadelphia and Kenmore Pulp and Paper Company. Whitman and Sharp were fairly well known in the pulp and lumber business. A St. Lawrence Company publication claimed that, "Whitman and Sharp have made an enviable record as successful lumber and pulp operators."³ All directors and officers of the St. Lawrence Company were United States citizens and residents.⁴ St. Lawrence Pulp was a United States company investing

²St. Lawrence Pulp and Lumber Company, "Bond Circular," 1913, Baker Library; Chandler and Co. to H.B. Lake, Ladenburg, Thalman & Co., March 13, 1917, Baker Library; Who Was Who in America, 4 vols. (1897-1968), vol. 2 (1943-1950): 292.

³St. Lawrence Pulp. "Bond Circular;" Chandler & Co., "An Evergreen Empire," 1913, Baker Library.

⁴Ibid.

in a pulp and paper endeavor in Quebec.

The primary motivation of this group of American businessmen in their investment in a Quebec pulp company was of course to make profits. Early publications by the company talked of anticipated handsome profits. Whitman estimated in 1913 that the St. Lawrence Company would make an annual profit of \$219,000 after putting \$150,000 a year into a sinking fund to guarantee payment of bonds and paying \$180,000 a year interest on the bonds.⁵ The expectation of profit was based on an analysis of the advantages that the Chandler mill would enjoy over competitors. According to a company prospectus, the key factors for a successful pulp and paper operation were quality and quantity of raw materials, workability and accessibility to principal markets.

1. Quality and quantity of raw materials

According to timber estimates by Lemieux Brothers and Company of New Orleans, the Chandler site was in a strong position in this regard; the total merchandisable timber on company land was set at 2,302,800,000 feet. Total pulpwood resources were estimated at 4,040,000 cords. The Lemieux report termed its pulpwood estimate "very conservative. . . Practically there is an almost unlimited supply of pulpwood on this land. . . The Gaspé Peninsula. . . is completely surrounded by salt water and

⁵St. Lawrence Pulp, "Bond Circular."

is in that northeastern section of Canada subject to frequent and heavy fogs. The underbrush is kept so well dampened that the possibility of damaging fire is so remote that it may be disregarded."⁶

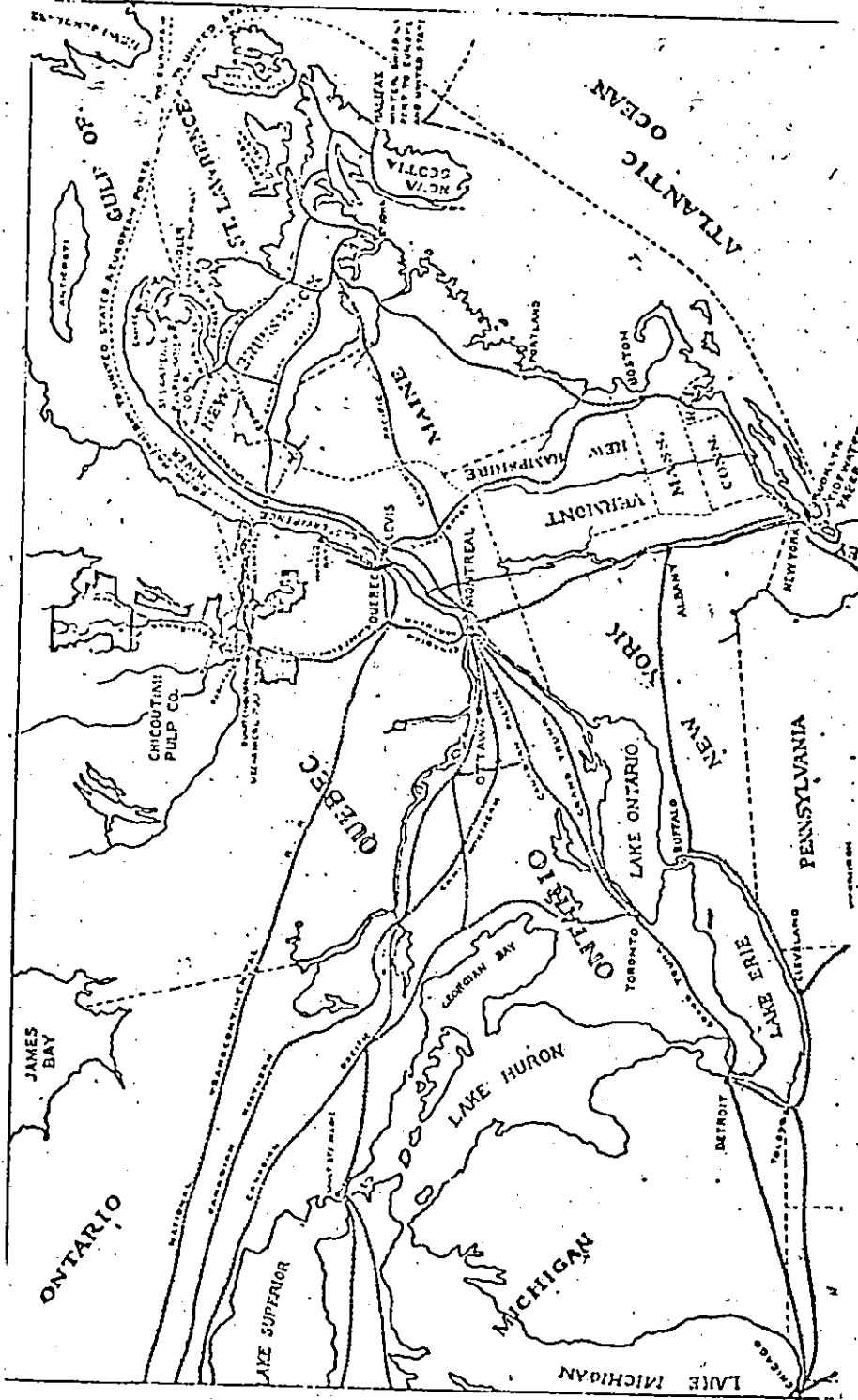
Lemieux had an optimistic assessment of the quality of the timber on the Chandler limits. "The quality of timber is very good and is much superior to anything we have heretofore estimated in the Province of Quebec, or in Nova Scotia or in New Brunswick, in all of which we have done a great deal of work in the timber."⁷

2. Workability

The ability to get the raw materials out of the woods and to the mill at low cost is referred to as the "workability." Company publications indicated that the Chandler area was ideal. Four main rivers (the Grand Pabos, Little Pabos, West River and Port Daniel River) ran in the timber limits, making the timber easily accessible by

⁶ Chandler & Co., "An Evergreen Empire." By 1937, one-third of the timber limits held by Gaspesia Sulphite (the company operating the Chandler properties at that time) were severely blighted by fires and insects. Large fires ravaged the forests along the St. John and York Rivers in 1938. The fires were started as a result of lightning storms and they burned quickly, destroying hundreds of acres of timber. Informant 11 stated, "It don't take long when the high winds start." Many of the problems of Gaspé forests are discussed in Gaspesia Pulp and Paper Company's "Notes on the Past, Present and Future of Gaspesia Pulp and Paper Company Limited," 1963, Price Company offices, Quebec City, Quebec (hereafter cited as Price).

⁷ Chandler & Co., "An Evergreen Empire."



• Figure 2. Transportation routes from Chandler Mill
SOURCE: Chandler and Company, "An Evergreen Empire".

water. However, the company decided to use a logging railroad instead. "The topography is such that logging by railroad is also very convenient. . . . The land is hilly, but not rocky,"⁸

3. Accessibility to principal markets

The Chandler mill was expected to be in an especially formidable position since Chandler was accessible to markets by steam railroad and ocean transportation (as indicated in Figure 2). The Atlantic, Quebec and Western Railroads passed near the mill and could be connected directly to the company railroad. The Baie de Chaleur railway system was built from Matapedia to New Carlisle in 1893 and extended to Chandler and Gaspé in 1911. Chandler was four days distant from New York City by water and two or three by rail. The Canadian government had appropriated considerable funds for the improvement of Chandler's harbor and wharf and more government aid was anticipated.⁹

⁸ *ibid.* The logging railroads were a colossal failure due to the rough terrain and the high costs of operation. An oldtimer (informant 19) termed the plan "stupid." The railroads were abandoned after only six years' use, and the company returned to the more sensible system of utilizing the extensive rivers to transport wood.

⁹ No direct evidence can be found to indicate corporate pressure on the government to improve the harbor. However, both federal and provincial governments had been interested for some time in encouraging development of an American financed pulp and paper industry on Canadian soil. As early as 1893, some Canadians began urging the government to place export duties on pulp and logs. Export duties were an election issue in the 1896.

St. Lawrence officials claimed that Chandler was nearer in transportation time to New York than the timber fields of West Virginia, where large scale lumber operations were being conducted. The Pabos Bay was supposed to be nearest to the European markets of any large timber or pulp operations in North America,¹⁰

The Chandler mill seemed to be in such an advantageous position that it offered tremendous opportunities for profitable investment. The pulp mill was being built close to the supply of raw materials. "Costs of raw materials are much lower than most operations in the United States and it is therefore in a very strong

campaign that saw the victory of Wilfrid Laurier. In 1897, Parliament granted the government authority to impose tariffs on pulp and logs. Ontario and Quebec passed Provincial enactments in 1900, 1901, and 1910 that forbid the exportation of pulpwood from Crown lands. These efforts dovetailed with pressure from United States newspaper publishers to abolish newsprint import duties as a way of reducing their costs. The United States Congress enacted the Underwood Tariff in 1911 which abolished newsprint import duties. During the debate on the Underwood Tariff, Henry Cabot Lodge correctly viewed the abolition of newsprint duties as a "scheme to enable Canada to force the erection of paper mills by United States capital on Canadian ground." Lewis Ethan Ellis, Print-Paper Pendulum (New Brunswick, N.J.: Rutgers University Press, 1948), p. 88. The history of United States and Canadian government efforts to encourage development of a Canadian pulp and paper industry can be found in Ellis, pp. 21-119; and Nathan Reich, The Pulp and Paper Industry in Canada, McGill University Economic Studies, National Problems of Canada, no. 7 (Toronto: Macmillan Co., 1926) pp. 17-57.

¹⁰ Chandler & Co., "An Evergreen Empire;" St. Lawrence Pulp, "Bond Circular;" Pelland, pp. 145, 159; Rumilly, p. 144.

competitive position. The removal of the United States duty on Canadian pulp has further enhanced its advantages in this regard. . . . Labor costs are lower than in the United States."¹¹

4. Financing

The St. Lawrence Pulp and Lumber Company issued 40,000 shares of no par value common stocks. Four million dollars of First Mortgage Serial Sinking Fund 6% Gold Bonds were floated. The bonds were an absolute first mortgage on all St. Lawrence properties. The properties which were security for the bonds included \$10,827,200 worth of timber plus the pulp mill and equipment. A sinking fund of \$3 per 1,000 feet of timber or \$1 per 1,000 cords of pulpwood cut was set up. This fund (estimated at \$150,000 per year) was expected to supply ample funds to meet bond payments. In fact, it was anticipated that the surplus earnings would be used to retire all bonds before the due date. Funds from the bonds were to be used to discharge debts and obligations incurred in acquiring real and personal property (\$1,500,000). One million dollars was to remain in the treasury to finance future improvements.¹²

¹¹Chandler & Co., "An Evergreen Empire;" North American Pulp and Paper Companies, "Description of the Manufacture of Pulp and Paper and of the North American Pulp and Paper Companies Trust," 1916, Baker Library. (Public records not private corporation papers).

¹²St. Lawrence Pulp, "Bond Circular."

Construction of the mill began early in 1913 and was completed by May, 1915 when the mill started producing pulp. The location and erection of the original pulp mill were accomplished under the direction of a New York engineering firm. A 25-mile long logging railroad was built under the supervision of a Philadelphia civil engineer. The actual construction costs of the mill and the railroad were over \$2,500,000 more than twice the original estimate. All top management positions in the early company were filled by United States citizens.¹³

¹³ ibid.; North American Pulp, "Description;" Chandler & Co., "An Evergreen Empire;" Pulp and Paper Magazine of Canada 15 (February 15, 1915): 101; Informant 8; Informant 3.

CHAPTER 3

THE DUBUC ERA (1915-1923)

North American Pulp and Paper Co. Trust (1915-1919).

In May, 1915 (the date that the Chandler mill began operation) the St. Lawrence Pulp and Lumber Co., the Chicoutimi Pulp Co. and Tidewater Paper Mills of Brooklyn, New York merged into a trust entitled the North American Pulp and Paper Companies Trust, incorporated under the laws of Massachusetts. The estimated value of the operating properties was \$30,016,000, making North American one of the largest pulp companies in the world. Production capacities of the North American mills were 380 tons of ground wood pulp daily from Chicoutimi; 120 tons of sulphite pulp daily from the St. Lawrence mill in Chandler, and 100 tons of newsprint daily from Tidewater in Brooklyn.¹

Evidence is contradictory concerning the interests which controlled the North American Trust. A major power was certainly J.E.A. Dubuc from Chicoutimi, who served as president of the trust. Dubuc, son of D.A. Dubuc,

¹Moody's, 1915, p. 3033; Pulp and Paper Magazine of Canada 17 (May 24, 1917): 514.

a Sherbrooke, Quebec merchant, obtained a diploma in commerce from the Sherbrooke seminary and became the manager of La Banque Nationale in Sherbrooke in 1886, at the age of sixteen. In 1892, Dubuc was sent to Chicoutimi to open up a new branch of La Banque Nationale.

As a bank manager, Dubuc was active in promoting schemes that involved every conceivable form of economic development for the Chicoutimi-Lac St. Jean region. He organized a local Chamber of Commerce and through the chamber tried to attract outside investors to open up local iron mines, to tap hydroelectric power and to produce pulp and paper. During the course of these promotional ventures, Dubuc became associated with J.E. Guay, the mayor of Chicoutimi and publisher of the local newspaper, Le Progres du Saguenay. Dubuc also joined forces with a few other French-Canadian merchants to purchase Chicoutimi's major hotel, to erect a hydroelectric station and a dam to provide the town with electricity, and to build waterworks and sewage systems.

When Dubuc's group was unsuccessful in attracting outside capital to finance a pulp and paper mill, they decided to build a mill themselves. Dubuc and his friends pooled their own capital, convinced many local farmers to invest and came up with \$50,000 as the authorized capital of the first pulp mill in Chicoutimi. Dubuc

became director general of Chicoutimi Pulp Co. with the powers of treasurer and secretary. From the very beginning, Dubuc was the dominant figure in the company. The first mill began turning out mechanical pulp in 1895, with daily capacity of 30 tons. The second mill (opened in 1903) produced 120 tons daily. By 1913 the mill had a combined daily capacity of 285 tons. Chicoutimi Pulp was an extremely profitable venture; it consistently paid stockholders dividends of 4% to 8%.

By 1915 the company claimed assets of \$4,250,000, exclusive of timber holdings, undeveloped water power, and equity in underlying securities. The annual capacity of 90,000 tons meant that Chicoutimi production represented "the largest single capacity in the world and nearly 25% of the entire mechanical pulp shipped from the Dominion of Canada."² Chicoutimi Pulp also controlled a network of subsidiary companies including La Compagnie du Chemin du Roberval-Saguenay (operating 40 miles of railroad along the Saguenay between Ha! Ha! Bay Junction, now Port Alfred, and Chicoutimi); La Compagnie Generale du Port de Chicoutimi (owning the Chicoutimi and Port Alfred waterfronts and tugboat equipment); and the Chicoutimi Freehold Company (owning

²William F. Ryan, The Clergy and Economic Growth in Quebec: 1896-1914 (Quebec: Les Presses de l'Universite Laval, 1966), pp. 147-51; Canadian Who's Who, 1915-16, p. 1355.

in fee simple 400,000 acres of timber land north of Lac St. Jean).

Dubuc, who was known as "King of the Pulp and Paper Industry of Quebec," was one of four French-Canadian large scale capitalists active in the period 1896-1914. "Only three big names continue to appear in the literature of this period; Senator Louis-Joseph Forget and especially his nephew, Sir Randolphe Forget; Alfred Dubuc and the honorable Georges E. Amyot."³

There is evidence to support the view that Dubuc in fact controlled the North American Pulp and Paper Companies Trust. In a letter to the author, Dubuc's son stated that his father was the largest shareholder of North American Pulp. The Canadian Who's Who of 1915 reported that Dubuc "organized a financial syndicate in Boston, Massachusetts under the name of North American Pulp and Paper Companies Trust." In 1919, there was a rumor in pulp and paper circles that International Paper Company was going to take over North American by securing the whole of Dubuc's holdings. Dubuc was the president of the company and the managing director.⁴

³Ryan, pp. 281-82; Moody's, 1915, p. 3033; Informant ⁴.

⁴Victor Tremblay, archivist, la Société historique du Saguenay, to Greg Kremenliev, March 14, 1972, author's personal files; Canadian Who's Who, 1915-16, p. 1355; Pulp and Paper Magazine of Canada 19 (March 27, 1919): 307.

However, there are also indications that Dubuc was not in control. Pulp and Paper Magazine of Canada wrote about North American Pulp: "The company assumed its present form about 18 months ago when a United States banking syndicate headed by Chandler and Company of Philadelphia floated a voluntary trust under the laws of Massachusetts as a holding company."⁵ The composition of the executive committee suggests that somebody besides Dubuc was in control. Dubuc was the only French-Canadian, indeed the only Canadian, on the executive committee. Thus Dubuc did not have the power to name any of his associates to the executive committee. Two were from the St. Lawrence Company; another two were Pennsylvania businessmen who were probably associated with St. Lawrence Company interests.

The North American Pulp and Paper Companies trust was a United States firm; six of seven members of the executive committee were Americans.⁶ Although North American Pulp represented a merger between the interests of the French-Canadian entrepreneur, Dubuc, and the American banker, Chandler, it is not clear which interest was dominant.

⁵Pulp and Paper Magazine of Canada 16 (November 1, 1916): 351.

⁶J.E.A. Dubuc, "Letter to Shareholders," May 5, 1915, Baker Library; Who Was Who in America, vol. 1 (1897-1942): 555.

During the latter part of 1916, North American Pulp underwent the first of several corporate reorganizations. The company planned a series of improvements to existing properties and acquisition of new properties in order to increase productive capacities. Expansion projects included:

1. A doubling of the capacity of the St. Lawrence sulphite pulp mill

This would make the annual capacity 75,000 tons, which was more than any other sulphite pulp mill in the world. (This project was never undertaken.)

2. An extension of holdings by the Chicoutimi company

Arrangements were completed in December, 1916 for Chicoutimi to acquire a large interest in the Ha! Ha! Bay Sulphite Company which was building a \$1,500,000 plant designed to produce 36,000 tons of sulphite pulp a year. Bay Sulphite had no timber limits, so Chicoutimi Pulp agreed to supply 72,000 cords of pulpwood a year in exchange for control of 45% of Bay Sulphite's common stock. Also in December, 1916, arrangements were made for Chicoutimi to acquire Saguenay Light and Power Company, which operated the electrical lighting system of Chicoutimi and other Saguenay River towns. Saguenay Light and Power also controlled, through stock ownership, the telephone company which operated 1,000 miles of

telephone lines in Chicoutimi and Lac St. Jean counties. In addition, Saguenay Light controlled Le Credit Municipal Canadien (a local bank).

3. Construction of a tidewater newsprint mill

North American approached several New York newspapers with a proposal for the construction of a tidewater newsprint mill that would have a 500 ton daily capacity. This mill would have been erected and in operation by January 1, 1918 if there had been enough cooperation and investment from newspaper publishers.⁷ (There was not, and the mill never materialized.)

In order to finance these projects, the company sold 220,000 shares of common stock in Toronto and New York, thus bringing some new interests into the picture. For the first time some Anglo-Canadian business interests were represented on the Board of Directors, but it is impossible to say which controlled the company at this stage, as there were no apparent connections between the members of the executive committee. Major interests represented on the Board included Chicoutimi Pulp, the St. Lawrence Company, the Steel Company of Canada, Canada Westinghouse, and Melcher's Distilling.

North American, however, remained legally a United

⁷ Pulp and Paper Magazine of Canada 16 (November 1, 1916): 351; Moody's, 1918, pp. 2422-24, 2795; Pulp and Paper Magazine of Canada 16 (December 1, 1916): 412; Wall Street Journal, November 7, 1916.

States Company; offices were still in New York and four of five trustees were Americans, as were nine of eleven members of the executive committee.⁸

At the May, 1918 stockholders' meeting, another corporate reorganization took place as a result of criticism of the management for the poor economic performance of the company, anticipated profits not having materialized. Some executive changes took place, bringing in two new major interests: La Banque Provinciale du Canada and the American Newspaper Publishers Association. The Newspaper Publishers' involvement with the company lasted only one year. For the first time, Canadians now represented a majority (three to two) among trustees. The executive committee, however, was made up of eight Americans and only three Canadians.⁹

The 1918 reorganization also involved the sale of Tidewater Paper Mills to the New York Times for \$252,959, and the transfer of ownership in May, 1918 of the St. Lawrence Company directly to Chicoutimi Pulp "to simplify

⁸ North American Pulp, "Statement," 1916, Baker Library; Canadian Who's Who and Why, 1915-16, pp. 1047, 1135, 1091; 1927, p. 713.

⁹ Wall Street Journal, May 15, 1918; Moody's, 1918, p. 2423; Canadian Who's Who, 1921, p. 134; Pulp and Paper Magazine of Canada 17 (May 24, 1917); 514; North American Pulp, "Letter to Shareholders," May 26, 1919, Baker library; Who Was Who in America, vol. 4 (1961-1968): 399.

accounting methods."¹⁰ The arrangement not only leased St. Lawrence properties to Chicoutimi for twenty-one years, but simultaneously Chicoutimi acquired from North American Pulp all 40,000 St. Lawrence shares of capital stock. Chicoutimi pledged the first mortgage on its own properties to guarantee the payment of principal and interest on St. Lawrence bonds.¹¹

Saguenay Pulp and Power Company (1919-1923)

On June 12, 1919, stockholders of North American Pulp, needing money for extensions and additions to the Chicoutimi mill and for additional working capital, approved the organization of Saguenay Pulp and Power Company. Saguenay, designed to be a holding company for Chicoutimi Pulp and its subsidiaries, was created by stock transfers. Forty-one thousand common and 30,000 preferred shares of Saguenay were exchanged for a like amount of Chicoutimi stock. Sixteen thousand, five hundred common shares were deposited with the Royal Trust Company, trustee for Chicoutimi's bonds, and 2,500 new shares of common stock were sold on the open market. The new company was authorized to issue \$5,500,000 worth of bonds to purchase Chicoutimi's bonds and to pay the debts of Chicoutimi and its subsidiary

¹⁰ Moody's, 1918, p. 2422.

¹¹ ibid.; North American Pulp, "Letter to Shareholders."

companies.¹²

The new interests brought into the company necessitated a shift in the balance of power. For instance, control of Saguenay was divided between preferred and common stockholders. Moreover, an agreement was reached whereby for ten years the Board of Directors was to have nine members, five elected by preferred shareholders and four elected by common shareholders. Fifty-one percent of the preferred shares were transferred to a voting trust agreement headed by the Honorable Senator Frederick L. Beique, who represented the syndicate that underwrote the \$5,500,000 worth of bonds. Beique, a French-Canadian lawyer, was vice president of Hochelaga Bank (which held a major stock interest in Chicoutimi Pulp) and a member of the Board of Directors of Canadian-Pacific Railway and Canadian Cottons Ltd. He was also a member of the Montreal Catholic School Commission, president of the Montreal Industrial Exhibition Association, a founding member of the conservative-nationalist Parti National, former president of the St. Jean Baptiste Society (1899-1905), and Quebec Senator since 1902.

Sir Frederick Becker, an Englishman, held a controlling interest in the common stock. According to Beique, "Sir Frederick has had to this date the nomina-

¹²Pulp and Paper Magazine of Canada 19 (June 12, 1919): 562; North American Pulp, "Letter to Shareholders."

tion of four members of the board."¹³ Becker had started a business as a pulp merchant in 1898 which was incorporated as Becker and Co. Ltd. in 1908. His was a large and successful international business. Becker and Company had offices in London, Montreal, Paris, New York, Milan, Madrid, Lisbon, Hamburg, Stockholm, Halifax, South America and the Far East. The company was represented by "agencies in practically every country in the world."¹⁴ Becker and Co. controlled by far the largest group of paper mills in England (fourteen). These mills had a combined output of 1,000 tons per day. Becker was also chairman of another independent group of ten mills in England. All in all, Becker was chairman or vice-chairman of 27 companies. His connections with Chicoutimi Pulp reached back to 1900, when he had visited Chicoutimi and signed contracts with Dubuc to buy a large portion of Chicoutimi's pulp production.¹⁵

Thus, Saguenay Pulp was at this time controlled by French-Canadian capitalists connected with the Hochalaga Bank and Chicoutimi Pulp. British capital held a strong

¹³ Pulp and Paper Magazine of Canada 24 (February 21, 1924): 223-25; Moody's, 1921, p. 1118; Canadian Who's Who, 1921, p. 414.

¹⁴ Pulp and Paper Magazine of Canada 24 (July 24, 1924): 158-59.

¹⁵ Pulp and Paper Magazine of Canada 22 (June 5, 1922): 11; (March 16, 1922): 203.

minority interest in the company. United States interest had become minimal: only one representative of the American group of St. Lawrence Company bondholders sat on the Board of Directors. The 1919 Board had five Canadians, three Americans and one Irishman, while the 1921 Board was made up of six Canadians, two Americans and an Englishman.

On February 8, 1921 shareholders voted to dissolve North American Pulp and Paper Company. As the Trustees explained in a letter to shareholders:

All of the companies controlled by the Saguenay Pulp and Power Company are Canadian Companies operating in Canada and as it is itself a holding company, there is no necessity to have a further holding company in the United States.¹⁶

A primary motive for dissolving the trust was to avoid paying U.S. taxes demanded by the U.S. Treasury Department.¹⁷

Local Management

As a result of the formation of North American Pulp and Paper Companies Trust, Dubuc took over as general manager of the Chandler mill. Arriving in Chandler in June, 1915 (just one month after the pulp mill had begun production), Dubuc re-organized the management structure, replacing the American staff with

¹⁶ North American Pulp, "Letter to Shareholders," January 7, 1921, Baker Library.

¹⁷ ibid.; Moody's, 1921, p. 1119.

his French-Canadian relatives, friends and business associates from Chicoutimi. These officials were experienced in Quebec's pulp and paper industry. Although most of Dubuc's new officials were from Chicoutimi, some supervisors and engineers came from Quebec City and Hull.¹⁸

Economic Analysis

Profit statistics were not encouraging for North American or Saguenay Pulp, as Figure 1 indicates. It is difficult to understand North American's poor performance in 1916, a year in which the price of pulp was very high and in which most Canadian mills did very well. The price of mechanical pulp rose from \$18 a ton in 1915 to \$40 by December, 1916; the price of sulphite pulp increased from \$40 a ton in 1915 to over \$100 a ton at the end of 1916. Under-production at the Chandler St. Lawrence Company mill contributed to this disappointing result. Although the Chandler mill had a capacity of 36,000 tons, 1916 production reached only 26,000 tons.¹⁹

Dubuc had predicted a profit of \$1,245,000 for 1917. When stockholders at their May, 1918 meeting demanded an explanation from Dubuc for the gap between

¹⁸ Informant 5; Informant 3; Informant 19; Informant 4; Informant 9; Informant 8.

¹⁹ Statistical Department, Imbrie and Company, Bankers, "Letter," January 31, 1917, Baker Library; Chandler & Co. to H.B. Lake, March 13, 1917, Baker Library.

Figure 1

NORTH AMERICAN-SAGUENAY PULP

PROFIT/LOSS

	Year	Profit \$	Profit as % of stock
North American:	1916	- 312,411.63	
	1917	45,601.39	0.5
	1918	38,005.74	0.4
Saguenay:	1919	33,551.00	0.4
	1920	1,368,373.10	17.6
	1921	64,981.25	0.8
	1922	- 419,881.39	

SOURCES: North American Pulp, "Statement," 1916, 1917, 1918; Saguenay Pulp and Power Company, "Financial Statement," 1919, 1920, 1921, Baker Library; Annual Financial Review, Canadian: A Carefully Revised Précis of Facts Regarding Canadian Securities, 1924, pp. 388-89; Pulp and Paper Magazine of Canada 26 (August 5, 1926)

his prediction and the \$45,000 actual profit for 1917, he claimed that the low profit was caused by the government railroad's confiscation of St. Lawrence Company coal for the war effort and an explosion in the St. Lawrence boiler room that caused \$400,000 damage and reduced Chandler production to 22,669 tons.²⁰

In 1918 "the small profit is attributable, it is said, to unfortunate results shown by one of the company's properties where a loss of \$400,000 or thereabouts was shown."²¹ It seems likely that the Chandler mill was the property responsible for the low profit. We know "the operations of the St. Lawrence Pulp and Lumber Company are said to have continued unprofitable during 1918."²² Apparently the Chandler mill had some technical problems which required considerable expenditures to remedy. "It is believed that the cause of the loss has been eliminated and the statement is made that in two changes alone, a leak of no less than a quarter of a million dollars was stopped. There is every reason

²⁰ Imbrie, "Letter," July 9, 1919, Baker Library; Wall Street Journal, May 5, 1918; North American Pulp, "Statement," 1917, Baker Library; Pulp and Paper Magazine of Canada 16 (November 1, 1916): 351.

²¹ Pulp and Paper Magazine of Canada 19 (August 14, 1919): 692-94; Imbrie, "Letter," January 31, 1917; North American Pulp, "Statement," 1917; Pulp and Paper Magazine of Canada 16 (November 1, 1916): 351; Wall Street Journal, May 15, 1918; Imbrie, "Letter," July 9, 1919.

²² Imbrie, "Letter," July 9, 1919.

to believe that this particular plant will show good profit hereafter."²³

The low 1919 profit was due at least partly to expenses in connection with alterations and repairs at the Chandler mill. In fact, the situation at the Chandler mill was so serious that "President Dubuc is concentrating all his energies to bringing about improvement and efficient methods at the St. Lawrence Pulp properties with the ultimate view of making this end of the business a money maker instead of showing deficits as it now does."²⁴ Dubuc efforts bore immediate fruit with the excellent performance of the Chandler mill in 1920. "As we expected last year, our Chandler mill has been a source of considerable profits during our last financial year."²⁵

Another factor involved in the high profits of 1920 was an extraordinary volume of sales at all Saguenay mills. Sales were \$8,984,238 compared to \$5,416,545 in 1919 and \$5,882,138 in 1921. New income before bond interest was \$3,804,420 in 1920 compared to figures of \$1,103,320 in 1919 and \$2,433,073 in 1921.²⁶

²³ Ibid.; Pulp and Paper Magazine of Canada 20 (August 20, 1920): 842.

²⁴ Wall Street Journal, August 8, 1919.

²⁵ North American Pulp, "Statement," 1920, Baker Library.

²⁶ North American Pulp, "Statement," 1919, 1920, 1921.

Nineteen twenty-one, a depression year for the pulp and paper industry in general, witnessed a slump in the price of pulp in the world market. Directors of Saguenay claimed that the only reason the company showed even a small profit was the ten-year contracts arranged with Becker and Company for the purchase of most of Chicoutimi and Chandler pulp. Becker announced that he soon hoped to close a deal which would assure that all of the company's pulp was purchased at a guaranteed price and on a long-term basis.²⁷ The poor performance in 1922 was probably a result of extremely low pulp prices in the first six months of the year. No figures are available for 1923. Early in 1923, Saguenay sold the Chandler mill to the Bay Sulphite Company.²⁸

A critical shortage of working capital caused the Chicoutimi mill to shut down in February, 1924. On March 7, 1924, the Chicoutimi Company filed a petition of bankruptcy. On March 27 of the same year, a receiving order was issued against Saguenay and Chicoutimi for default on payment of bonds. Saguenay had failed to create a full reserve fund for the bonds. In July, 1925, the company was reorganized as the Quebec Pulp and Paper

²⁷Statement by J. Carruthers, Pulp and Paper Institute of Canada, to author, June 17, 1972; Moody's, 1923, p. 349.

²⁸Annual Financial Review, 1924, p. 389; Pulp and Paper Magazine of Canada 20 (August 5, 1920); Saguenay Pulp, "Financial Statement," 1920; Moody's, 1923, p. 349; J. Carruthers; Saguenay Pulp, "Financial Statement," 1921.

Mills Ltd.; the new company, however, was never very successful.²⁹

1. The consistently disappointing performance of the Chandler sulphite pulp mill

Financial analyses of the St. Lawrence Company, in 1917 and 1920 indicated that the company was in a weak position. The 1917 study concluded "the stock, however, at the present time should only be considered a speculation."³⁰ The 1920 bond analysis revealed that there was no active market for St. Lawrence bonds and that bonds maturing in 1932 were being quoted at a price of \$50. (This is quite a contrast to the company's assurances in 1913 that surplus earnings would result in the early retiring of all bonds at a call price of \$103). The lack of trading in the bonds and the low price "do not indicate a very healthy condition of affairs considering the early maturity of the bonds."³¹

2. Weaknesses of the company's financial structure

An independent financial analysis indicated that the bonded debt of North American's subsidiary companies was nearly half as large as total assets, an unfortunate situation. As a consequence, high interest payments

²⁹ Annual Financial Review, 1924, p. 289; Pulp and Paper Magazine of Canada 24 (February 14, 1924): 217; (March 27, 1924): 217; 25 (July 2, 1925): 75.

³⁰ Imbrie, "Letter," January 31, 1917.

³¹ Imbrie, "Letter," March 18, 1920, Baker Library.

cut deeply into potential profits. This picture is revealed in Figure 2 for 1916 and 1918. In 1916, bond payments represented almost 20% of the total sales; in 1918, they represented over 25%. In 1916, bond payments were greater than the net income and in 1918, they nearly equalled the net income. The high bond payments put the company in a vulnerable position: in good years, they cut into the profits and in bad years, they all but insured a deficit.

Another weakness in the North American/Saguenay financial structure centered around the precarious balance of current assets and current liabilities. This resulted in a lack of working capital. At the end of 1919, Saguenay's current assets were \$3,909,127.43, an excess over liabilities of only \$292,958.45. The situation was worse in 1921 when current liabilities exceeded current assets (\$7,148,652 to \$6,370,572, a \$778,080 deficit).³²

3. The trust set-up

An analyst in 1919 criticized North American Pulp: "Its subsidiary companies are owned rather with the idea of facilitation of the manufacture of pulp than making profits on their own account. To be sure, there is no reason why these subsidiaries should not prove profitable

³² Imbrie, "Letter," July 9, 1919; Saguenay Pulp, "Statement," 1919; Moody's, 1923, p. 349.

Figure 2

NORTH AMERICAN PULP - INCOME AND
BOND PAYMENTS, 1916 & 1918

	1916	1918
Gross Income from sales	\$3,963,110	\$4,268,367.82
Operating expenses	3,641,239	3,068,838.33
Net earnings	321,871	1,199,529.49
Other income	208,242	
Total Income	530,113	1,199,529.49
Bonds and interest	842,534	1,161,523.75
Net Profit	-312,421	38,005.74

SOURCES: Moody's, 1917, p. 2039; Pulp and Paper Magazine of Canada 19
(August 14, 1919) 690.

within their proper limits, but it must be borne in mind that they are, after all, only means to an end."³³

4. The company's weak competitive position in the pulp and paper industry

Supply exceeded demand throughout the paper industry by the early 1920's. Overproduction combined with over-capitalization to eliminate weaker competitors in the industry.³⁴ Historian A.R.M. Lower has charged that many pulp companies received much larger forestry concessions than their operations warranted. This was, Lower argued, a speculative tactic, for companies could represent forestry concessions as assets upon which to base further financing schemes. Lower has written,

It was not long before the industry got into the clutches of the masters of high finance and then a series of amalgamations, new flotations and grandiose projects was initiated which had the inevitable result of bankrupting most of the companies concerned, ruining thousands of investors and abruptly halting the march of settlement in pioneer areas.³⁵

All factors noted above contributed to the economic difficulties of the parent companies. The Chandler pulp mill was a subsidiary to a larger concern, and as such suffered the vicissitudes common to a highly

³³Edward E. Epps & Co. Stocks and Bonds, "Special Letter," August 3, 1919, Baker Library; Imbrie, "Letter," July 9, 1919.

³⁴Ellis, p. 125.

³⁵A.R.M. Lower, Canadian Frontiers of Settlement, Vol. 9: Settlement and the Forest Frontiers in Northern Canada (Toronto: Macmillan Co., 1936), pp. 127-28.

competitive pulp industry. Poor performance at the Chandler mill contributed to the economic difficulties of the parent company. Quite possibly, early optimistic views of Chandler's potential profitability as a pulp producing center were unwarranted.

CHAPTER 4

CORPORATIONS FROM 1923 TO 1931

Bay Sulphite Company (1923-24)

The Ha! Ha! Bay Sulphite Company was organized in 1916 by Becker and other leading paper manufacturers in England at the request of the British government, which was concerned about assuring a wartime supply of sulphite pulp independent of Swedish suppliers considered unreliable during the war. Britain faced a critical shortage of paper, so the government requested leading paper manufacturers to establish a sulphite pulp mill within the Empire.¹

A controlling interest of Bay Sulphite stocks was held by a consortium of British paper manufacturers headed by Becker. Companies owned by or supplying the London Times, the Daily Mirror, the Daily Telegraph, the Daily News, and the Evening News were involved in this group.² Becker was president of the Bay Sulphite

¹ Pulp and Paper Magazine of Canada 23 (March 15, 1923): 290.

² Annual Financial Review, 1923, p. 164; Moody's, 1923, p. 909.

and his associates sat on its Board of Directors.

Chicoutimi Pulp owned 45% of the common stock of Bay Sulphite in exchange for supplying Bay Sulphite with wood for its pulp mill. However, Chicoutimi's 45% common stock ownership apparently did not result in any corporate executive power, as no Chicoutimi representative sat on the Board of Directors.

Beique-Becker Feud

Beique and Becker, the two powers behind Saguenay Pulp and Bay Sulphite, began to quarrel late in 1923. The details of the disagreement were aired in the pages of Pulp and Paper Magazine of Canada. One of the disputes centered around the long-term contracts between Saguenay and Becker for the sale of pulp in European markets, Beique charging that Becker refused to accept delivery of 5,000 tons of sulphite pulp and a considerable quantity of mechanical pulp that Becker and Company had committed itself to purchase. Another Beique claim was that the so-called Ludgate Syndicate contracts resulted in the purchase of only 36,000 tons instead of the promised 80,000 tons. Beique referred to a "certain divergence of views"³ between Becker and Saguenay Company and indicated that the termination of the long-term contracts had been contemplated for some time. He announced the

³Pulp and Paper Magazine of Canada 23 (November 8, 1923): 1103; Annual Financial Review, 1924, p. 389.

termination both of pulp purchase contracts and of the agreement to supply Bay Sulphite's mill with wood. The contract for supplying hydro-electric power to Bay Sulphite was amended about the same time.

Becker answered these charges with the accusation that Saguenay Pulp withdrew normal credits and insisted, abnormally, on cash payments. Although the contracts provided for cash payments, Saguenay first invoked that provision in 1923. Becker was annoyed at the timing; his company was faced with heavy capital commitments, but had little working capital during a period of severe competition and depression in the pulp trade.

A second area of dispute was the proposed re-financing of the Bay Sulphite Company. Becker had proposed to issue 45,000 new shares of stock to finance expansion and provide additional working capital. The issue of new shares was approved by two-thirds of the shareholders. However, approval of a three-fourths majority was necessary and the Chicoutimi block refused to go along. Beique thought that the financing proposal was a "makeshift" deal that would have endangered the value of the 45% of common stock held by Chicoutimi Pulp.

A third element of the split revolved around a national and ethnic division between the British and the Canadians, or more specifically, the French-Canadians. Becker viewed the whole affair as a direct attempt by

Canadians to take over his interests. "The moment was indeed well chosen for the Canadian interests we read of to acquire our investments."⁴ Becker was concerned about his \$21,250,000 investment. Partly as a result of Beique's insisting on cash payments, Becker and Company went bankrupt and receivers were appointed on October 27, 1923. Becker laid the blame on Canadians:

This is a sad ending of thirty years of work but yet I hope it won't be the ending. We have builded and created and sown the seed that others may reap. If we have lost our money, we have not lost our souls. Knaves and fools, I hardly know what, have wrecked the noble ship on the Canadian coast.⁵

Although Beique made no reference to the national and ethnic overtones of the disputes, Becker and his associate Ralph Hall-Caine accused the French-Canadians of plotting against them. Becker referred to the "Chicoutimi Company, controlled and dominated by the Bank of Hochelaga."⁶

Hall-Caine pointed out the importance in the dispute of "racial jealousies between the French-Canadian element and the British or Scot-Canadian element."⁷

⁴Pulp and Paper Magazine of Canada 23 (November 22, 1923): 1114.

⁵Pulp and Paper Magazine of Canada 24 (January 10, 1924): 34.

⁶Pulp and Paper Magazine of Canada 23 (November 22, 1923): 1114.

⁷Pulp and Paper Magazine of Canada 24 (January 10, 1924): 34.

One possibility, that Becker had made an effort to take control of Saguenay Pulp, offers an additional explanation. Beique did accuse Becker of "interfering" with the affairs of Saguenay Pulp and its subsidiaries.⁸ Becker may have approached John Steele, the American who represented the St. Lawrence Company bondholders and attempted, unsuccessfully, to establish a British-American alliance against the French-Canadians on the Saguenay board. In retaliation to this attempt, the French-Canadians might have set out deliberately to ruin Becker. Certainly, by insisting on cash payments during a depression in the pulp trade, Beique hit on a sure-fire way to wreck Becker's financial empire.

Local Management

When Chicoutimi Pulp sold the Chandler mill to Bay Sulphite, Dubuc and most of the staff he had brought with him to Chandler left town. Bay Sulphite brought in a new management team composed of English-speaking outsiders (non-Gaspesians). This marked the beginning of a reign of English-speaking domination of Chandler management positions which persisted until the 1960's. R. J. Hanford, an Englishman, replaced Dubuc as general manager; a Swede and two Finns held other key management

⁸Annual Financial Review, 1924, p. 389; Pulp and Paper Magazine of Canada 23 (November 1, 1923): 1084.

positions.⁹

Economic Analysis

The Ha! Ha! Bay Sulphite Company operated a modern unbleached sulphite pulp mill on the tidewater of the Saguenay River at Ha! Ha! Bay (now Port Alfred). The mill went into operation in 1918 with an annual capacity of 40,000 tons. Almost the entire production was exported to Great Britain and France under long-term contracts negotiated by Becker and Company.

Bay Sulphite purchased the Chandler sulphite mill early in 1923, almost doubling the company's capacity. Furthermore, contracts negotiated by Becker and Company guaranteed long-term purchase of 70,000 tons of pulp annually.

Between 1918 and 1922, Bay Sulphite earned an average of \$600,000 per year. Although no separate statement of the Chandler mill's performance was published, it is known that during that time the Bay Sulphite operated its properties, the Chandler mill was producing the highest quality sulphite pulp at the lowest cost in its history.¹⁰

⁹Chandler, "Minutes of City Council Meetings," book 3, Chandler City Hall, p. 111; Informant 4.

¹⁰Pulp and Paper Magazine of Canada 23 (March 15, 1923): 290; (May 10, 1923): 490; Moody's, 1924, p. 2014; St. Lawrence Pulp, "Bondholders Letter," February 11, 1924, Baker Library.

Bonaventure Pulp (1924-1932)

Bay Sulphite Company controlled the Chandler pulp mill for only a few months. When the parent company in England went bankrupt, Bay Sulphite also folded and lost control of the Chandler mill. As a result of Bay Sulphite's bankruptcy, a default on the payment of interest and scheduled retirement of \$150,000 worth of St. Lawrence Company bonds occurred on February 1, 1924. Ten days later a Bondholders Protective Committee was formed, complete with letterhead stationary, legal counsel, and a Broadway office in New York. Bondholders, of course, were interested in protecting their investment. Committee members included four United States citizens and two Canadians. It is not clear from the composition of the Bondholders Committee which, if any, particular interest or interests were dominant. P.M. Chandler was one of the bondholders; other United States banks were also represented on the Committee. Dryden Paper Company, the Canadian Pulp and Paper Association, and the Utilities Corporation (which developed the Viking gas field east of Edmonton) had representation on the Bondholders Committee.¹¹

¹¹ Moody's, 1915, p. 118; 1916, p. 2425; Who Was Who in America, vol. 2 (1943-1950): 292; National Directory of the Canadian Pulp and Paper Mills and Allied Trades with a Statistical Survey of the Industry, 1928, pp. 89, 169 (hereafter cited as Pulp and Paper Directory); Pulp and Paper Magazine of Canada 28 (February, 1928: International Issue): 53; Canadian Who's Who, 1927, pp. 215-16.

In the meantime, Chicoutimi Pulp had pledged its own property as security for St. Lawrence bonds. During March, 1924 bondholders took steps to enforce the Chicoutimi guarantee, but Chicoutimi Pulp itself was in liquidation by the spring of 1924. The efforts of those trying to reorganize Chicoutimi and Saguenay Pulp Company were directed towards relieving Chicoutimi of its guarantee of the St. Lawrence bonds. A series of negotiations between the St. Lawrence bondholders and Chicoutimi Pulp liquidators resulted in a compromise agreement. Chicoutimi interests surrendered and cancelled \$493,000 worth of the St. Lawrence bonds still outstanding that they held, thus reducing the company's bonded indebtedness from \$2,693,000 to \$2,220,000.¹²

The security for the bondholders' investment was the Chandler pulp mill. Although bondholders held a first mortgage on the properties, they would have preferred to sell the mill. Bondholders, however, believed that it would be easier to sell a mill in operation than one that had been shut down for some time. "A going mill can be sold but it will not be easy to sell the mill if it has been shut down a year with no wood supplies

¹²Pulp and Paper Magazine of Canada 24 (November 13, 1924): 1173; 25 (May 18, 1925); St. Lawrence Pulp Bondholders Protective Committee, Letter, July 21, 1924, Baker Library (hereafter cited as Bondholders).

and no organization of labor and superintendence."¹³

The bondholders arranged for loans to start the mill running again (it had been shut down since November, 1923). The bondholders were able to arrange a loan through Molson's Bank, pledging wood supplies and pulp to be manufactured as security for the loan. Molson's also insisted that Montreal Trust, as trustee for Bay Sulphite; and the Bondholders Committee, each put up \$400,000 worth of bonds as additional security. With the aid of the loan, the bondholders were able to re-open the mill in May, 1924.

Soon the bondholders required additional loans to provide adequate working capital and needed improvements to the mill, to place the property on a sound financial basis, and to assure good management. Meanwhile, Molson's Bank was absorbed by the Bank of Montreal in 1925, which stiffened the credit requirements. It required a pledge of all bonds held by the Committee and by Montreal Trust as security. The bank also demanded further security independent of the St. Lawrence properties. This was provided until November 6, 1926 by International Paper Company and after that date by a pledge of United States and Canadian government

¹³ Bondholders, March 7, 1924.

bonds.¹⁴

The Committee made "strenuous efforts to secure a purchaser for the mill."¹⁵ Because of unfavorable operating conditions and an unsatisfactory market for pulp, however, no bids were received for the mill by 1925, at which point the Committee decided to take charge of the property. The Bonaventure Pulp and Paper Company took over operation of the Chandler mill on April 1, 1925, its entire capital stock held by the Bondholders Committee. Although bondholders referred to Bonaventure as a Canadian corporation, most members of the Bondholders Committee were United States citizens.

Bonaventure Pulp hired a team of experts to determine methods of changing the mill into a profit-making operation. The experts recommended a series of technical improvements designed to reduce operating costs and increase efficiency. As a result of these recommendations, new knife and drum barkers were installed in 1927. Nineteen twenty-eight saw the introduction of mechanical stokers that were expected to pay for themselves within a year by savings on operating costs.

¹⁴ Bondholders, May 10, 1924; May 18, 1925; Bondholders, "Plan and Agreement for Re-organization of the St. Lawrence Pulp and Lumber Company," February 2, 1927, Baker Library; Bondholders, Letter, February 10, 1927.

¹⁵ Bondholders, Letter, May 10, 1924; Anglo-Newfoundland Development Corp., "Directors Report and Statement of Accounts," 1937, 1958, Baker Library.

The installation of additional drying equipment marked another improvement.

Direct results of these improvements included increased production capacity and reduced operating costs: productive capacity rose from 30,000 tons a year to 40,000, while operating costs fell from an average of \$45.11 per ton in 1925 to \$39.11 in 1930. The Bondholders Committee claimed that the \$39.11 per ton operating cost was as low or lower than any mill in Canada.¹⁶

The Bonaventure Company was thus intended to be a temporary entity until a buyer for the mill could be found. Arrangements were concluded with a group of underwriters to provide necessary cash for working capital, improvements to the mill and sound financial organization. All plans were contingent on the creation of a re-organization scheme, whereby a new corporation was to be formed with 47,000 shares of no par value common stock; bondholders were to receive 10 shares for each \$1,000 bond; the Bondholders Committee was to approve the first Board of Directors; the authorized bond issue was not to exceed \$2,500,000 of 6½% twenty-year sinking fund bonds.

The plan was amended in 1928 to provide for the

¹⁶ Pulp and Paper Directory, 1928, p. 89; Bondholders, Letters, May 18, 1925; October 15, 1928; April 15, 1931.

issuing of 150,000 shares of non-cumulative, non-voting, participating class A stock and 150,000 shares of no par value class B stock. Forty-four thousand class A shares and 66,000 class B shares were to be sold for \$1,100,000 to the Underwriters. This money was to be used to reduce the Bonaventure debts, to pay the Quebec government stumpage charges, to pay the Bondholders Committee debts, and to provide working capital for the new company.

An additional 50,000 class A shares and 25,000 class B shares were to be set aside and placed under an option for the Underwriters to buy. Twenty-five thousand more class B shares were to be issued to two syndicates which provided the government bonds as security for loans.¹⁷

Local Management

There was continuity in local management between Bay Sulphite and Bonaventure. Hanford stayed on as general manager until 1927 when he was replaced by J.B. Beveridge from Montreal. Most other management officials retained the same positions they had held with Bay Sulphite. Management personnel were unilingual

¹⁷Bondholders, "Plan and Agreement for re-organization of the St. Lawrence Pulp and Lumber Company," May 18, 1925, Baker Library; Bondholders, Letters, April 15, 1931; October 10, 1927.

English-speaking.¹⁸

Economic Analysis

Hopes were high in 1929 that the reorganization plan could be effected and that a new corporation would purchase the property from the Bondholders. However, in 1930 the depression struck, and a buyer was never found. An immediate and relevant consequence of the general business depression was a drastic decrease in demand for sulphite pulp. The pulp and paper industry suddenly discovered that it had been operating all along with an excessive productive capacity; such excess capacity coupled with decreased demand spelled disaster for the whole industry. Since the Chandler mill had been only a marginal production facility even before the depression, it was hit very hard. The mill was closed down from November 15, 1930 to February 1, 1931, when the mill reopened only to convert existing pulpwood supplies into pulp.

The Bondholders Committee expressed fears that if there were no improvement in 1931, Bonaventure would have to abandon operation of the mill, probably resulting in the entire loss of security for the bonds. There was no improvement and "the property was sold at foreclosure and in July, 1932 the Bondholders Committee

¹⁸Chandler, "Minutes," book 3, pp. 208, 289; Informant 3; Pulp and Paper Directory, 1928, p. 88.

reported that the bonds were a total loss."¹⁹

Although no figures were made public, the Bondholders Committee admitted that Bonaventure Pulp only periodically showed any profit at all. The only figures released covered from May, 1924 to April, 1925 during which time the Committee estimated losses at \$159,000. In 1928 (before the depression) the Bondholders stated that the United States and Canadian mills were in the midst of "about the worst slump in its history and a few mills have been prosperous."²⁰ Finally, the mill at Chandler was shut down completely and did not operate between 1931 and 1937. During these years the Premier Pulp and Paper Company, subsidiary of the Celanese Corporation of America, owned the properties although the mill was never in operation while Celanese was the owner. The author has been unable to discover any information in Celanese corporation records or elsewhere to indicate Celanese's reason for purchasing the properties.²¹

¹⁹ Moody's, 1934, p. 1716.

²⁰ Bondholders, Letters, May 18, 1925; October 15, 1928.

²¹ Chandler municipal records list the Celanese Corporation as the parent company to Premier Pulp, although Celanese Corporation records at Baker Library make no reference whatsoever to Premier Pulp. Informant 10 also mentioned the Celanese role.

CHAPTER 5

GASPESIA (1937-1971)

Anglo-Newfoundland Development Corporation (1937-1961)

In 1937, Anglo-Newfoundland Development Corporation purchased the Chandler mill and formed a new company called Gaspesia Sulphite Company. Anglo-Newfoundland was founded in 1905 by the Harmsworth brothers of London, England. Alfred C. Harmsworth (Lord Northcliffe) and Harold S. Harmsworth (Lord Rothenmere) were publishers of the London Daily Mail and the London Daily Mirror and owners of Amalgamated Press, one of the largest publishing houses in Britain. The Harmsworths, interested in obtaining a North American supply of pulp and newsprint, invested \$5,000,000 to build a mill in Grand Falls, Newfoundland. The newsprint and pulp mill began production in 1909 with three paper machines, after which the company continued to grow and expand.

Rich deposits of ore were discovered on Anglo's land in Newfoundland, and in 1925 the American Smelting and Refining Company devised a method to concentrate and smelt lead, zinc and copper ores. Buchan's Mining

Company was established to smelt the ores on Anglo's property; it (Buchan's) was owned 50% by American Smelting and Refining and 50% by an Anglo-Newfoundland subsidiary, Terra Nova Properties.¹

In 1937, when Anglo bought the Chandler mill, Associated Newspapers controlled Anglo-Newfoundland Development Corporation. Associated Newspapers was owned by Lord Rothemere through his Daily Mail Trust which also owned the Daily Mail, the Evening News, the Sunday Dispatch, the Overseas Daily Mail, Gloucester newspapers, Straffordshire Sentinel newspapers, the Cheltenham newspapers, the Swansea Press, Hull and Grimsby Newspapers and Empire Paper Mills. Associated Newspapers had its office in England; all members of the Board of Directors were English.²

Local Management

Anglo-Newfoundland filled the upper management positions in Gaspesia Sulphite with its own men. The top decision-maker was the general manager who did not live in Chandler, but worked out of the Anglo offices in Quebec City. R.A. McInnis was the first general manager. He was succeeded in 1941 by E.M. Little from

¹ Pulp and Paper Magazine of Canada 59 (October 1959): 516.

² Moody's, 1936, p. 1764; 1937, p. 1765; 1940, p. 1552; 1945, p. 2775; 1950, p. 2149; 1955, p. 1910; 1960, p. 1687

Ontario. In 1952, Johnny Wing took over as general manager. E.L. Neil succeeded Wing in 1957. All were Anglo-Newfoundland pulp and paper men with experience at other mills; all were uni-lingual, English-speaking and non-Gaspesian.³

The top management position at Chandler itself was that of the mill manager. An exception to the rule of Anglo's filling key positions with its own men was the first mill manager, Bill Roberts. Roberts, an Englishman, had been working in the Chandler mill since the days of Dubuc. Jim Fear, a Welshman from Nova Scotia, replaced Roberts in 1943. Other mill managers included Johnny Wing (1947) and J.K. McConomy (1949). Roberts, Wing and McConomy were all uni-lingual English-speaking, non-Gaspesian Anglo men.⁴

Economic Analysis

How large a corporation Anglo-Newfoundland was in 1937 is shown by the total of its assets at \$23,705,067. By 1958 the value of the company's assets had risen to \$51,868,000.⁵ Figure 1 gives some index of the healthy economic performance of Anglo over the years.

³ Informant 10; Pulp and Paper Directory, 1938, p. 165; 1945, p. 185; 1952, p. 236; 1957/58, p. 280.

⁴ Informant 10; Pulp and Paper Directory, 1938, p. 165; 1943, p. 175; 1947, p. 190; 1949, p. 203.

⁵ Anglo-Newfoundland Corp.; "Directors' Report and Statement of Accounts," 1937, 1958, Baker Library.

Figure 1

ANGLO-NEWFOUNDLAND DEVELOPMENT
CORPORATION PROFITS

Year	Net Profit	Capital Stocks	Dividends	Profit Rate
1937	\$ 673,719	8,666,525	463,278	5%
1938	1,206,542	"	664,000	8%
1939	582,131	"	510,992	6%
1940	656,311	"	428,326	5%
1941	530,049	"	"	5%
1942	-70,333	"	256,996	3%
1943	374,683	"	"	"
1944	1,648,921	"	"	"
1945	2,597,293	"	519,992	6%
1946	3,402,237	"	1,735,305	20%
1947	5,237,187	"	"	"
1948	6,046,380	9,099,025	1,819,805	"
1949	2,868,585	"	"	"
1950	5,844,133	27,492,075	3,665,610	12%
1951	8,227,382	"	3,229,050	"
1952	4,348,598	"	"	"
1953	2,935,986	"	"	"
1954	3,631,516	"	"	"
1955	4,632,139	"	"	"
1956	5,425,707	"	"	"
1957	2,281,032	"	2,061,906	9%
1958	2,808,497	"	1,099,682	4%

SOURCES: The Financial Post Survey of Corporate Securities, 1947, p. 190; 1948, pp. 213-14; 1951, pp. 243-44. The Financial Post Survey of Industrials, 1956, pp. 246-47; 1959, p. 292; 1962, pp. 255-56.

Chandler Production and Profit

No production or profit figures are available for Gaspesia Sulphite before 1952. Production capacity was steadily increased from 125 tons per day in 1938 to 130 in 1940; 150 in 1941; 170 in 1947; 200 in 1948, and 275 in 1951. A \$3,500,000 bleach plant was completed in 1953.⁶ Figure 2 indicates production. It is apparent that there was a large fluctuation in production from year to year.

The majority of the bleached pulp was shipped to France in the first few years after the opening of the bleach plant in 1953. French capital aided in the construction of the bleach plant and part of the French agreement with Gaspesia provided that French paper mills would purchase a fixed tonnage at an agreed price for a period of five years.⁷

A detailed breakdown of 1962 sales indicates that the United States was Gaspesia's main market, followed by Canada and England. Of 16,747,000 tons of unbleached pulp sold, 8,472,000 was shipped to Canadian mills and 6,129,000 tons went to England. All told, 53,006,000

⁶Gaspesia Pulp, "Notes on the Past, Present and Future of Gaspesia;" Pulp and Paper Directory, 1938, p. 166; 1940, p. 185; 1941, p. 184; 1947, p. 191; 1948; p. 194; 1951, p. 225.

⁷R. J. Chambers, "Gaspesia's New Bleach Plant Improves Pulp Quality;" Pulp and Paper Magazine of Canada 53 (December 3, 1953): 677.

Figure 2

ANNUAL PULP PRODUCTION OF GASPESIA SULPHITE
(given in tonnage)

Year	Bleached	Unbleached	Total
1952		65,124	65,124
1953	14,426	54,176	68,602
1954	42,483	31,603	74,086
1955	57,010	22,764	79,774
1956	60,130	19,361	79,491
1957	60,092	12,205	72,297
1958	53,195	3,592	56,787
1959*	59,000		59,000
1960	64,000	14,000	78,000
1962*	53,005	16,747	69,752

* Tonnage sold.

SOURCES: Moody's, 1954, p. 2872; 1956, p. 1184; 1958, p. 2082; 1961, p. 1769; Gaspesia Pulp, "Statement," 1962.

tons of bleached pulp were sold. The major purchasers were the United States (20,941,000), Canada (11,428,000), England (8,787,000), Australia (5,599,000), France (3,879,000) and Mexico (1,287,000).⁸

Profit figures are indicated in Figure 3. All cash was reinvested in the business so that Gaspesia shareholders never received a cent of cash dividends. The highs and lows in the profit chart reflect the instability of the sulphite market and sensitivity to even minor fluctuations between demand and production facilities. Losses in 1959 and 1962 were consequences of declines in world sulphite prices and the influx of low-priced Scandinavian bleached pulp into the United States market.

Figure 4 reveals that Gaspesia Sulphite spent a very high percentage of its sales dollar on wages and salaries. While 52% of Gaspesia's sales dollar went for wages during these years, the industry average in Canada was about 20%.⁹ In 1962, Price spent 42 cents of each dollar on wages.¹⁰

A basic problem that Gaspesia faced was that it

⁸Gaspesia Pulp, "Financial Statement as at December 31, 1963," Price.

⁹Canadian Pulp and Paper Association, "Reference Tables," 1971.

¹⁰Price Brothers, "Annual Report," 1962, Baker Library.

Figure 3

GASPESIA SULPHITE APPROXIMATE PROFITS
AND LOSSES BEFORE TAXES

1938	\$ -200,000
1939	-200,000
1940	500,000
1941	500,000
1942	300,000
1943	350,000
1944	200,000
1945	250,000
1946	300,000
1947	1,200,000 (\$730,000 after taxes)
1948	1,500,000 (\$485,000 after taxes)
1949	-300,000
1950	600,000
1951	4,200,000 (\$1,917,555 after taxes)*
1952	500,000 (\$120,000 after taxes)
1953	300,000
1954	600,000 (\$285,480 after taxes)
1955	900,000 (\$413,574 after taxes)
1956	1,000,000
1957	300,000
1958	300,000 (\$113,768 after taxes)
1959	-100,000 (-\$64,136 after taxes)
1960	150,000 (\$38,310 after taxes)
1961	150,000
1962	-1,282,000

*The huge profit was due to "the abnormally high demand and prices then prevailing for pulp chiefly as a result of the Korean conflict." Gaspesia Pulp, "Notes."

NOTE: Figures are approximate because they have been taken from a graph.

SOURCES: Anglo-Newfoundland, "Directors' Report, 1959, 1960; Gaspesia Pulp, "Notes, Financial Post Survey of Corporate Securities, 1947, p. 191; 1949, p. 205; 1951, p. 245; 1953, p. 247; Financial Post Survey of Industrials, 1956, p. 248; 1969, p. 293.

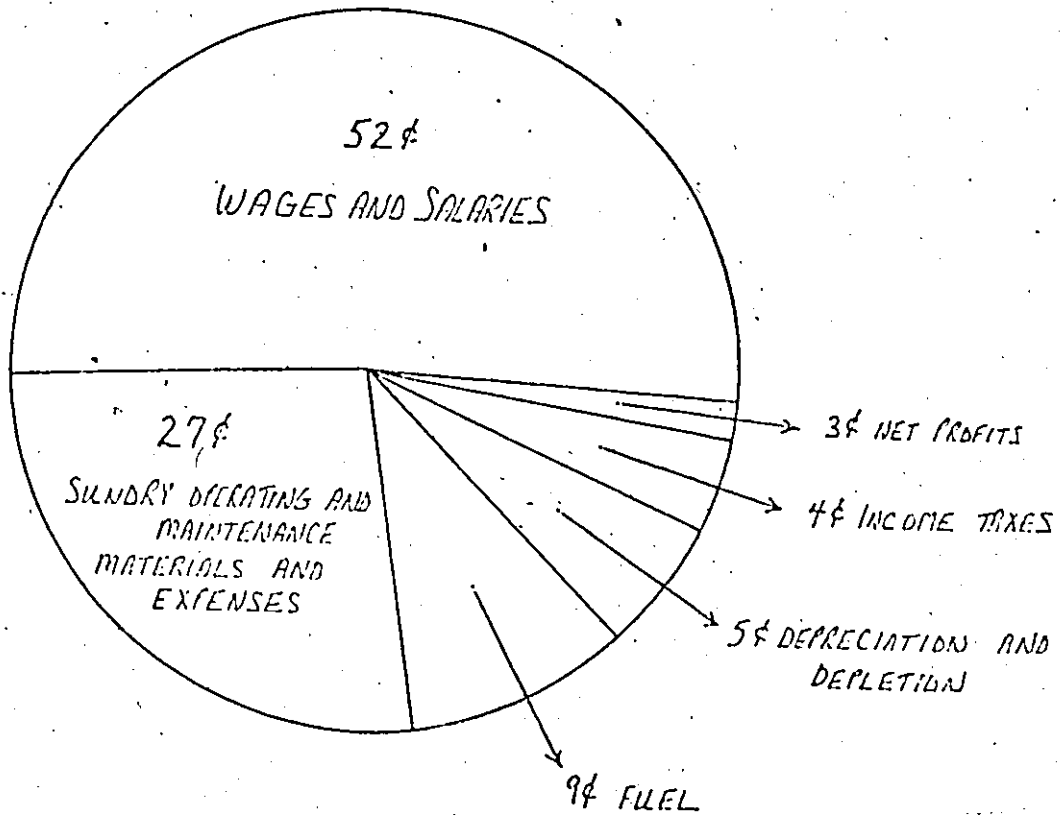


Figure 4. Distribution of sales dollar by Gaspesia Sulphite, 1937-1962.

SOURCE: Canadian Pulp and Paper Association, "Reference Tables," 1971.

depended for its livelihood on one semi-finished product, bleached pulp.

In spite of improvements to the plant, the profits picture is not encouraging. Most of the tonnage presently produced is being sold on the world markets at prices below cost to keep the mill in operation. The Chandler mill still depends for its livelihood on only one product - sulphite pulp, the usage of which in the manufacture of paper and boards is declining and being replaced by sulphate (kraft) pulps. . . . In any case it is a sound economic policy for an industry to tend to finish its product rather than to export it in a semi-finished state.¹¹

The company was aware that it faced an economic dilemma by 1958. One possibility was to rebuild the mill for kraft pulp which was in demand. Gaspesia decided on the second possibility, which was to integrate the already existing pulp mill with a newsprint facility.¹²

Other problems confronting Gaspesia concerned the quantity and quality of its natural resources. When Gaspesia took over the timber limits, one-third of the trees were severely affected by fires and insects. In 1938 and 1941 large fires started by lightning burned over 150 miles of forest along the St. John and York Rivers.

The quality of the timber left something to be desired. "The wood available on the Gaspé Peninsula is

¹¹ Gaspesia Pulp, "Notes on the Past, Present and Future of Gaspesia Pulp;" Anglo-Newfoundland, "Directors' Report and Statement of Accounts," 1959.

¹² Pulp and Paper Magazine of Canada 64 (May, 1964): 90.

of inferior quality and low density. It was only after careful, intensive and expensive treatments that good quality pulp could be produced with that wood."¹³ The density of wood was low because of the high percentage of balsam wood in the Gaspé forests. The average density of usable pulpwood within the Gaspesia Sulfite's limits was .335 to .345 compared to .390 to .410 in other pulp producing areas of Quebec and the Maritimes. The fiber content of wood on Gaspesia's limits was 15% less than the Quebec Maritime average "thus increasing by the same percentage the quantity of wood required to make equivalent weights of pulp and paper."¹⁴

Furthermore, there were difficulties with the terrain of the Gaspé Peninsula: "The terrain where the cuts have to be carried out is also unusually rugged which adds to the cost of the operations."¹⁵

Apparently the Chandler mill's poor profit record ever since its inception can at least partly be attributed to the natural disadvantages discussed above. The St. Lawrence Company's early assessment of the advantageous position of Chandler as a site for a pulp mill was either

¹³ Gaspesia Pulp, "Notes on the Past, Present and Future of Gaspesia;" Informant 11.

¹⁴ Gaspesia Pulp, "Notes on the Past, Present and Future of Gaspesia."

¹⁵ Ibid.

ill-informed, naive, or both.

Price-New York Times (1961-1970)

The Price Company

In 1961 the Price Brothers Company took over control of Anglo-Newfoundland Development Corporation by means of an exchange of shares. Eleven shares of Anglo-Newfoundland stocks were exchanged for two shares of Price Brothers stock to make a new company named the Price Company.

While it is extremely difficult to determine who controlled the Price Company, power seems to have been divided between four large shareholders. Lord Rothemere (former head of Anglo-Newfoundland) was the largest stockholder in the new company. Rothemere named six out of fifteen members to the Board of Directors, indicating that he personally controlled about 30% of the shares of stock. The Price family in England owned 20-25% of the stocks. Bouverie Investments (a holding company about which little information is available), held 16.7% of Price stock. Domtar, through its subsidiary, the St. Lawrence Corporation, controlled 10% of the stock.¹⁶ Thus almost 80% of the stock was owned by four shareholders.

¹⁶ Montreal Gazette, May 31, 1961; Informant 15; Service de l'information de la Confédération des Syndicats Nationaux, "Ne comptons que sur nos propres moyens," (Ville St. Laurent, Québec: October 1971); Canada; Minister of Industry, Trade and Commerce, Intercorporate Ownership, Statistics Canada, 1969, p. 381.

However, none of the four seems to have commanded or exercised a controlling interest, nor was the author able to discover any source that discussed the dynamics among the four large shareholders. Any composite picture at this point can only be assembled by examining the component parts.

Price Brothers was among the oldest surviving Canadian companies. William Price, an Englishman, had started in the lumber business in the Saguenay Valley in 1816. In 1838 Price helped finance the "Society of Twenty-one" and agreed to sell all wood harvested and to supply material and equipment needed. He also built a large sawmill in Chicoutimi.

By the middle of the nineteenth century, Price had become the dominant figure in the lumbering industry of Quebec and was known as "Le Père du Saguenay."¹⁷ As his title suggests, Price was extremely paternalistic. Most of his investments led to company towns where company labor, company money and company stores were characteristic. Price was also a community benefactor, donating land for church sites and generously contributing to the favorite charities of local curés.

In the late nineteenth and early twentieth centuries, Price Brothers sensed the wave of the future and quickly

¹⁷Ryan, p. 142.

diversified from lumber into pulp and paper. Price purchased and renovated an old pulp mill at Jonquière; the company built a newsprint mill in Kenagami.¹⁸

The 1920's was a decade of growth and expansion for Price Brothers. Price was able to gain control of most of Dubuc's holdings when the latter retired from business in the mid 1920's. Price's production capacity doubled between 1925 and 1928; by 1928 the company produced 700 tons of newsprint daily. At the end of the decade, Price Brothers stood as one of five pulp and paper companies that dominated 80% of the production in Eastern Canada; moreover Price was one of six companies that controlled 75% of the production throughout Canada.¹⁹

Price Brothers was hit as hard as all other pulp and paper companies by the Great Depression. Price, as well as all of the large companies in the industry, underwent a major financial reorganization as a result of the depression. In the spring of 1937, a group of English and Canadian financiers took over control of Price and reduced the company's capitalization from \$60,000,000 to \$30,000,000. Esmond Harnsworth, the

¹⁸ Price Company, "A Good Citizen Aged in the Woods," n.d.

¹⁹ Confédération des Syndicats Nationaux, p. 100; John A. Guthrie, The Newsprint Paper Industry: An Economic Analysis (Cambridge: Harvard University Press, 1941), p.. 65.

second Lord Rothemere, was a leader of this group of financiers.²⁰

The trend towards oligarchy in the pulp and paper industry had continued steadily and Price has remained one of the industry's giants. In 1969, the seven largest pulp and paper companies in Quebec controlled 90% of the industry's total production, employed 59% of the workers, and occupied 71% of the land surface of forest concessions to pulp companies (forestry concessions to these seven companies represented 39% of the total productive forest land in Quebec). Figure 5 shows the figures for the seven giants. From this chart it is obvious that Price was the third largest company in the Province of Quebec in terms of production and forestry concessions, and the fourth largest in respect to workers employed.

The seven large companies enjoyed close connections to each other through such devices as interlocking directorates, common subsidiaries, owning stocks in each other's companies, sharing legal firms, and having members sitting on Boards of Directors of the same banks. For example, Domtar owned stock in the Price Company. Representatives from Domtar and Price sat on the Board of Directors of the Bank of Montreal. Price, Canadian International Paper, Domtar, and Anglo Pulp

²⁰Guthrie, pp. 68-69

Figure 5

QUEBEC'S SEVEN BIG PAPER COMPANIES, 1969

Company	Production in tons per	Workers employed	Forest Concessions
Canadian International Paper	815,454	6,545	21,367
Consolidated Bathurst	1,030,931	6,208	15,538
Price Brothers	805,303	2,322	8,213
Domtar	514,355	5,018	4,177
Anglo-Canadian Pulp and Paper	325,202	1,430	3,432
Quebec North Shore Paper	351,556	1,350	3,934
E.B. Eddy Co.	61,491	2,228	5,657
Totals	3,904,292	25,101	62,318

SOURCE: Confédération des Syndicats Nationaux,
pp. 89-93

all retained the legal firm of Cope, Ogilvy, Porteous, Hanyard, and Mailer. This firm was closely linked to the Royal Bank of Canada. Price, Canadian International Paper, Domtar, Consolidated Bathurst, Abitibi, and Crown Zellerbach belonged to, or jointly owned, companies concerned in the marketing of newsprint.²¹ Figure 6 from the Financial Post graphically illustrates some of the links between major pulp and paper companies.

The New York Times

In 1961 the Times purchased 49% of the stocks of Gaspesia Pulp and Paper. Author Hays Sulzberger, the publisher, controlled the Times corporation. The mechanism for corporate control was established in the will of the founder of the Times, Adolph S. Ochs, which provided that exclusive voting rights would be vested in 40,155 shares of \$2 par value class B stock. Trustees of the estate of Ochs owned 26,020 shares of the class B voting stock as well as 225,045 (out of a total of 369,038) shares of class A common stock.

An interesting sidelight to the story of stock ownership in the Times is the amazingly small number of total shareholders. There were only 275 preferred shareholders, 720 class A shareholders and 103 class B shareholders. The 1963 values of the stocks were

²¹Confédération des Syndicats Nationaux, pp. 93-96; Financial Post, January 17, 1970.

The Financial Post

January 11, 1928 Page 1338

Tighter links may alter world paper rivalry

By John P. ...

During the past few years the pulp and paper industry has been characterized by a series of mergers and acquisitions which have resulted in a more compact and efficient organization. The industry has been able to meet the increasing demand for paper and pulp products by expanding its production capacity and improving its manufacturing processes. The result has been a steady increase in the output of the industry, which has enabled it to maintain its position as one of the leading industries in the world.

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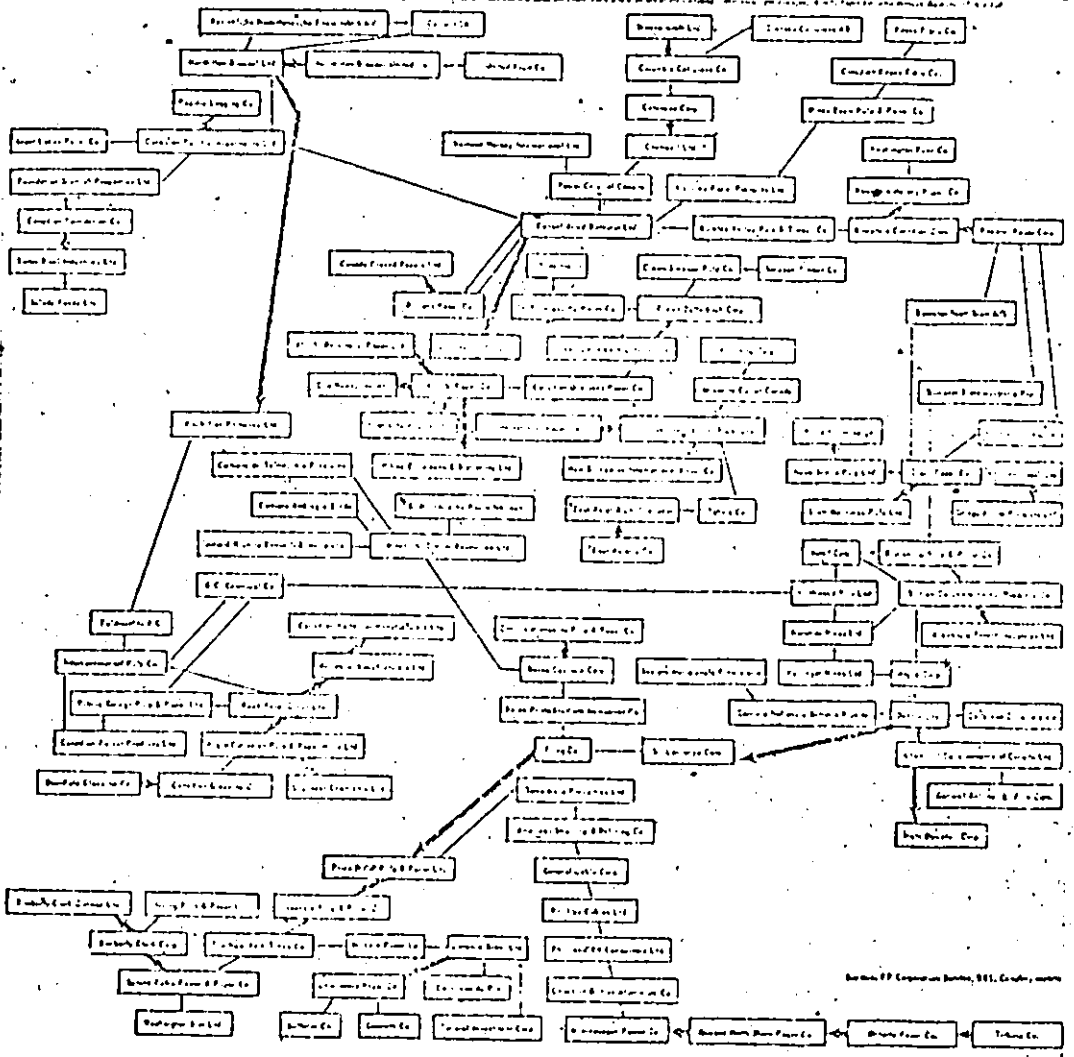


Figure 6. Interlocking pulp and paper companies

SOURCE: Confédération des Syndicats Nationaux, p. 94.

\$9,165,900 for preferred stocks, \$731,520 for class A stock and \$80,310 for class B stock.²²

Local Management

The Anglo-Newfoundland-Price merger had little effect on the Chandler management structure. In 1963 an Anglo man, E.P. Walsh, took over as general manager of Gaspesia Pulp and Paper and J.A. Rozzini became mill manager. Both were unilingual, English-speaking, non-Gaspesians. In 1968, J.E. Carbanneau, a French-Canadian who had been working at the Chandler mill since the 1920's, became resident general manager. Bruce Little, son of the former president and chairman of the board of Anglo-Newfoundland, was appointed mill manager in 1969 and resident general manager in 1971. Little was also unilingual, English-speaking, and non-Gaspesian.²³

Economic Analysis

The Price Company was a giant in its own right; in 1961 assets totaled \$187,337,884; by 1969 the figure had leaped to \$321,168,000. Price owned or controlled 15,500 square miles of timber land in Quebec and Newfoundland. Its annual sales were over \$100,000,000; capital stock in the company was valued at over \$80,000,000. In addition to interests in the pulp and paper industry,

²²Moody's, 1965 pp. 1510-11; 1967, p. 1382

²³Pulp and Paper Directory; 1963, p. 266; 1968, p. 298; 1969, p. 331; 1972, p. 179.

Price owned Lignasol Chemical Company, Price Shipping and Maclean Mining Company.²⁴

As Figure 7 indicates, the Price Company consistently reaped handsome profits. The 1962 dividend figures represent earnings of \$2.15 per share. The profit rates (based on the relationship between stock dividends and the value of stock) in 1962 and 1965 were about 8%, and in 1970, a recession year, were over 6%.

The New York Times is also a large corporation. Total corporate assets in 1961 represented \$57,878,491; by 1969, assets had doubled to \$115,497,824.²⁵

As Figure 8 clearly shows, the Times profits grew steadily, with big increases from 1963 to 1964 (when profits quadrupled) and from 1965 to 1966 (when they almost doubled again). The profit rate (especially for common stock) was very high. In 1961, the preferred profit rate was 4%; the common profit rate was 67%. In 1965, the preferred rate had risen to 6% and the common rate to 86%. Nineteen sixty-nine witnessed another increase in the preferred rate to 9%; however, the common rate fell to a modest 46%.²⁶

²⁴Price Brothers, "Annual Report," 1961; 1962, Baker Library; Price Company, "Annual Report," 1969; Moody's, 1963, p. 1994.

²⁵Moody's, 1962, p. 1194; 1970, p. 1224.

²⁶Moody's, 1962, p. 1194.

Figure 7

PRICE COMPANY PROFITS, 1961-1970

Year	Net Profit	Stock Dividends
1961	\$ 8,650,476	\$5,798,354
1962	8,127,466	6,354,484
1963	8,623,470	6,355,000
1964	12,741,000	6,355,000
1965	11,046,000	6,355,000
1966	12,026,000	7,428,000
1967	10,615,000	7,150,000
1968	7,385,000	7,150,000
1969	9,345,000	7,234,000
1970	4,086,000	4,721,000

SOURCE: Moody's, 1965, p. 273; 1968, p. 287;
1970, p. 254; 1971, p. 3094.

Figure 8

NEW YORK TIMES PROFITS, 1961-1970

Year	Net profit	Preferred dividend	Common dividend
1961	\$ 2,212,709	\$ 407,135	\$549,954
1962	1,811,550	402,211	538,497
1963	1,069,127	405,739	504,124
1964	4,212,854	571,325	504,124
1965	5,131,301	571,325	710,613
1966	9,355,469	870,504	710,613
1967	11,290,190	5,218,245	471,950
1968	14,204,671	6,201,922	456,123
1969	14,853,380	6,555,064	405,405
1970	9,783,694	5,121,993	384,445

SOURCE: Moody's, 1962, p. 1194; 1964, p. 1480; 1968, p. 839; 1970, pp. 1244, 1224; 1971, p. 1120.

As was mentioned before, Gaspesia Sulphite's economic and cost studies indicated that a diversification into newsprint paper would provide a stable earning base. However, newsprint production required more electric power, more wood and better shipping facilities than were available at Chandler. Company executives persuaded the Quebec government to guarantee a supply of electric power to the mill and to make additional wood limits available. The Federal authorities agreed to aid in modernizing and expanding the wharf facilities.

Plans for the diversification into the newsprint field were not solidified, however, until the New York Times' purchase of Gaspesia capital stock. Their guaranteed contract for 60,000 tons a year of newsprint helped to make the construction of a newsprint machine possible.²⁷ The Times had been involved in a similar arrangement with Spruce Falls Pulp and Paper Company in Kapusasing, Ontario since 1926.²⁸ The machine cost \$16,000,000 to build and was financed by long-term borrowing. The first full year of operation for the machine was 1965.²⁹

Figure 9 gives a sense of the increasing capacity

27 Pulp and Paper Magazine of Canada 64 (May, 1964): 4.

28 Guthrie, p. 103.

29 Price, "Annual Report," 1965; Wall Street Journal, July 10, 1962.

Figure 9

GASPESIA PULP AND PAPER
NEWSPRINT PRODUCTION

Year	Tons per year
1965	93,000
1966	99,000
1967	108,000
1968*	166,000
1969	220,000
1970**	189,000

* A second newsprint machine went into operation.

** There was a two month strike.

SOURCES: Price, "Annual Report," 1965, 1966, 1967, 1968, 1969, 1970.

at Gaspesia. By the end of 1966, Gaspesia ceased to produce market pulp due to an over-supply of Scandinavian pulp, the coming expansion of international sulphite pulp capacity, and the unsatisfactory history of Gaspesia as a sulphite producer.³⁰

Unfortunately, profit figures are not available for all years. In 1963, Gaspesia lost \$2,272,000. In 1964, there was a profit of \$144,918 and in 1965, a \$1,586,568 profit for Gaspesia Pulp. For the first time in the company's history, directors declared a stock dividend of \$1 a share for 930,000 shares in 1969.³¹ It would appear from the existing data that Gaspesia was much more successful as a newsprint producer than as a sulphite pulp producer.

Foreign Investment

The Price/Times control of Gaspesia Pulp represents a continuation of the pattern of foreign ownership of the Chandler pulp mill. Gaspesia's Board of Directors has six representatives from Price and five from the Times.

The Times is, of course, a United States company. Its investment and guaranteed purchases of newsprint are absolutely vital to the survival of the Chandler

³⁰ Pulp and Paper Trade Journal, May 16, 1966.

³¹ Price, "Annual Report," 1963; New York Times, April 1, 1966; November 29, 1969

newsprint mill.

Although Price calls itself a Canadian company and claims to have a majority of Canadian stock holders, it is, in fact, a British company.³² Evidence presented above indicates that 50% or more of Price stock is owned by the Rothemere and Price families in England.

With the possible exception of Dubuc's involvement with the Chandler mill during the years of 1915 to 1923, the Chandler mill has always been owned by foreign capital, in most cases, British. It has always been operated as a subsidiary interest of a larger company. Part II of the present study has described the parent companies that have been involved in Chandler. The main focus has been on the interests controlling the companies and the economic problems of the corporations involved.

Evidence from Part II seems to substantiate the ecumenical nature of capital. Although a series of different companies have been involved in the operation of the Chandler mill, the corporate and class structures have persisted. Several management officials remained through changes in corporate ownership. The mill as an institution remained a key factor in Chandler's economy. From the perspective of the working class, corporate ownership has not been critical except that, often,

³²Moody's, 1965, p. 1510; Price, "In the Woods Since 1816," n.d.

when companies went bankrupt, workers have been laid off. Two consequences of corporate involvement in the Chandler pulp and paper mill have been the development of a company town situation and the political importance of the pulp company with respect to local government.

PART THREE

COMPANIES' IMPACT ON CHANDLER

Inevitably in a town dominated by one industry, the ramifications of such domination are widespread. Part Three traces the history of Chandler as a company town. Chapter 6 is a broad study of the institution of the company town in Chandler; Chapter 7 focuses on the effects of the pulp companies on municipal politics.

CHAPTER 6

A COMPANY TOWN

Introduction

Bryan Downie, in his study of the pulp and paper industry, noted that, "the majority of its production units are located in small semi-rural communities. The companies in a number of cases are located in company towns remote from other populated areas."¹ Company town situations result from the dominance of one industry in the social, political and economic life of a community.² Robin's domination of the fishing industry of the Gaspé Peninsula in the nineteenth century provided Gaspésians with an historical precedent for the control of the Chandler area by a pulp and paper company.³

When historians speak of a company town, they usually refer to the domination of a town by a single

¹ Bryan Downie, Relationships Between Canadian-American Wage Settlements: An Empirical Study of Five Industries (Kingston, Ontario: Industrial Relations Centre, Queen's University, Research Series, 1970), p. 25.

² Ibid.

³ See chapter 1 for a description of Robin's domination of the Gaspé.

company over a number of years. In Chandler, however, when the author speaks of a company town, he is actually referring to several different companies that operated the pulp and paper mill between 1915 and 1971. The institution of the company town here has persisted through time; although the names of the companies have changed, the patterns have remained.

Chandler during the time of Dubuc (1915-1923)

It was during these first years that Chandler fit the patterns of a company town in the purest and most classical senses of the term. Since in that period the company was closely identified with its owner and manager, J.E.A. Dubuc, one can almost speak of Chandler as "Dubuc's town." Dubuc, known as, "The King of the Pulp and Paper Industry in Quebec,"⁴ was the main architect in the development of Chandler as a company town. Dubuc was clearly the leading citizen in the early days of Chandler. His house was known as "Le Chateau Dubuc."⁵ Also, "c'est Dubuc qui a organisée Chandler, qui a formée la municipalité. C'est Dubuc qui a organisée la commission scolaire."⁶

Under Dubuc's rule, "la compagnie à controlée [les]

⁴ Informant 4. ⁵ Informant 12.

⁶ Informant 9; Informant 4; Informant 12.

corps publiques."⁷ Company control of public life was symptomatic of Chandler's standing as a company town par excellence. The company was involved in a variety of undertakings. The company built and owned the workers' houses. It owned and operated the municipal system of hydroelectric power, sewage, and water works. In addition, the company operated a large general store. The store's inventory of merchandise in stock was in the neighborhood of \$175,000; in 1921, the store employed 22 people. Most of Chandler's residents shopped at the company store; needless to say, it was by far the largest store in town. As one oldtimer recalled, "It was a lovely store. It had everything you wanted."⁸

In 1920 the company, claiming to be short of capital, began to pay workers with coupons that were redeemable only at the company store, a procedure typical of company towns. Instead of a paycheck, the workers received a book of coupons. Workers brought the books to the front of the store where the clerks would pull out the coupons for each purchase. The store refused to accept any coupons that were loose or had been torn out of the coupon book.

⁷ Informant 9.

⁸ Informant 3; Informant 4; Informant 5; Informant 19; Leonard Grenier, "Historique de la pêche de Newport à Petit Pabos du début à nos jours," author's personal files, (Typewritten).

Workers felt that the company used the coupon system to take advantage of them. Typical comments made to the author included:

You'd go up to the counter and the men would be standing around talking and tearing the coupons out.⁹

They tore up the books pretty fast. They were counting them pretty fast. One fellow from the coast said 'I can't count that fast.' I guess they were honest.¹⁰

Some was honest. You know how it is.¹¹

Although no exact information is available concerning the duration of the coupon system, most of the author's informants estimated that the company paid workers in coupons for a year or two.¹²

Dubuc was responsible for close cooperation between the company and the Catholic Church. Dubuc's involvement with the Catholic Church stemmed from his own deep religious commitment. As a businessman in Chicoutimi, Dubuc worked closely with the officials of the Catholic Church. It was Dubuc, the employer, who was largely responsible for convincing local church figures to organize Quebec's first Catholic unions. In November, 1903, local church officials blessed Dubuc's second pulp mill. The opening of the mill was occasion for a civic and religious holiday in Chicoutimi. The

⁹ Informant 19. ¹⁰ Informant 4. ¹¹ Informant 8.

¹² Grenier; Informant 19; Informant 8; Informant 4; Informant 5.

pope knighted Dubuc in 1904 at the request of Mgr. Labreque who was Dubuc's close personal friend. As a sign of his continuing religious interest, Dubuc built a small chapel adjacent to "Le Chateau Dubuc" in Chandler.¹³

Dubuc initiated an era of active company support for the religious life of Chandler. In 1916, for instance, the company donated a three story building to the Catholic Church for use as a church, a presbytery, and a parish hall. The company also supported the Church-operated schools and hospitals, while Dubuc himself was among the organizers of the local school commission. When a fire destroyed the school buildings in 1921, the company donated buildings for temporary classrooms and funds to rebuild permanent classrooms. Dubuc even offered to donate land on behalf of the company for use as a hospital. In a letter to the Sister of Providence, the Bishop of Rimouski praised Dubuc as

Excellent catholique et homme d'oeuvres, monsieur Dubuc, tres avantageusement connu dans le monde des affaires comme industriel parfaitement expert et non moins digne de confiance a tous egards, a plein pouvoir de contribuer a l'organisation religieuse de ce village industriel compose d'ouvrier catholiques, canadiens-francais en grande partie.

Ains, il est dispose a ceder gratuitement les terrains necessaires pour y'eriger une eglise et ses dependances un hopital et une maison d'ecole. Il est egalement autorise a contribuer substantiellement a la construction de ces divers edifices.¹⁴

¹³Ryan, pp. 158-59; Victor Tremblay, to Greg Kremenliev, March 14, 1972.

¹⁴Chandler, Album souvenir.

During Dubuc's years of power, Dubuc was the company and the company was the town. This period represents the most extreme form of a company town in Chandler's history. The men worked for Dubuc's company, their families lived in Dubuc's houses, shopped at Dubuc's stores, worshipped in Dubuc's church, went to Dubuc's hospital, and sent their children to Dubuc's schools.

The company town from 1923-1931

Dubuc's departure from Chandler in 1923 signaled some changes in the nature of Chandler's status as a company town. The company withdrew from two areas of involvement: it sold the sewage and waterworks systems to the town government and the company store closed down in 1925. The company continued to own its employees' houses, to own and operate the town's electrical system, and to support the church and its hospital and schools. A new kind of company involvement in the lives of the citizens of Chandler began in a small way during this period. In 1927, the company donated land to the city for a playground. This was a first step in what later became a march of company interest in providing recreational facilities for the town. A related project was a company sponsored gardening club.¹⁵

¹⁵Pulp and Paper Magazine of Canada 28 (June 21, 1928): 854; Grenier; Chandler, "Minutes," Book 1, p. 138.

Welfare capitalism; 1937-1971

Gaspesia Sulphite Company gradually withdrew from the fields of housing and electricity. A retired company official claims that Gaspesia tried from its first days of operation in 1937 to get rid of the houses. The company felt that it was in Chandler to make pulp, not to worry about painting and repairing houses. In any event, it took the company fifteen years to sell the houses to the workers. Apparently the workers were given a "good deal," low prices and generous loan terms. In 1962 the company sold the hydroelectric system to the Coopérative d'Electricité de Gaspé Sud which was taken over by Hydro-Quebec in 1964.

Gaspesia expanded company support of the Catholic Church by agreeing to donate \$150 a month to help pay the \$96,000 debt that faced the parish as a result of construction of a new church in 1930. Gaspesia financed construction of a small Anglican Church on the Plateau for Protestant executives and their families. The partnership between church and company is symbolized in a sign which appears in the front entrance of the company: "Dieu protège notre commerce."¹⁶

Gaspesia Sulphite has changed the patterns through which the company dominates life in Chandler. In earlier

¹⁶ Informant 10; Informant 5; Informant 2; Grenier; Chandler, Album souvenir.

times the pulp company owned virtually the whole town. Gaspesia has developed a system of welfare capitalism. Welfare capitalism represents a recognition by many large corporations that it is their long-term self-interest to spend money on social benefits and recreational programs for their employees. Such benefits and programs are an investment in the future; they are designed further to integrate the employees' lives with the corporation, thus "buying" the stability of a loyal work force.

Welfare capitalism is a shift from the old-fashioned laissez faire attitudes according to which immediate profit was everything. Historically, welfare capitalism was a corporate reaction to the threats of socialism and working class consciousness. Typical elements of welfare capitalism include social benefits such as paid vacations, health insurance and paid sick leave, stock sharing plans, and company-sponsored recreational activities including picnics, cocktail parties and company-operated recreational clubs. The purpose of welfare capitalism is to make the workers dependent on, grateful and loyal to, the company.¹⁷ As Price notes in a company publication,

¹⁷ See James Weinstein, The Corporate Ideal in the Liberal State.

Pulp and paper workers are among the most highly skilled and best paid workers in the country. Nearly two-fifths of every dollar we make are paid out in wages and salaries. We are proud of our men. They take pride in their work.

Many old-timers are with us since their youth, as their fathers before them. Price workers enjoy all fringe benefits: insurance and pension plans and a host of other advantages. . . . We are highly unionized and our relations with labour have generally been quite cordial.¹⁸

The focal point of welfare capitalism in Chandler since 1950 has been company-financed recreational facilities to meet the workers' leisure time needs. With this in mind, the company built a golf course in 1950 and a curling club in 1954; later the two merged into the Grand Pabos Recreation Club which was open to the public. Support of recreation definitely became a reflection of company policy.

We employ people of many trades. . . . All enjoy a full, abundant life. We support many establishments where our workers can relax and practice their favourite pastime - bowling, curling, or some other sport.¹⁹

Although there was originally some social pressure to restrict the golf club to members of the company elite, the Grand Pabos Recreation Club was soon opened to the public. In fact, now all social classes use the recreational facilities. One retired executive believes that the club has brought management and the workers closer

¹⁸ Price, "A Good Citizen Aged in the Woods."

¹⁹ Ibid.; Informant 10; Informant 4.

together.²⁰

The encouragement of social mixing indicates a sophisticated company approach to class consciousness, different from patterns in traditional company towns, maintaining strict social barriers between workers and corporate officials. Such social separation often contributes to class consciousness among workers who carry on their own social life independent of the company. They can then begin to generalize from this experience and define themselves as a class. It is not very long from separation to alienation and group feelings of class solidarity and class consciousness.

However, mixing of social classes off the job usually has the opposite effect. Class feelings tend to be reduced when social barriers are no longer firm. Workers are more likely to perceive an identity of interests with management personnel they know socially than with a group of elites who remain cloistered in a social world closed to the workers. Furthermore, equality at the social club can distract workers from thinking about inequality on the job or inequality of income.

In Chandler, the company has also supported local sports, especially hockey, contributing each year to the local Pee-Wee Hockey Tournament. One year, Gaspesia hired a hockey coach to work with the town's youngsters.

²⁰ Informant 2; Informant 10.

The company donated land and financed half of the construction of Chandler's modern hockey arena that, was built in the mid 1960's at a cost of \$75,000. The company also donated half a million feet of land to the city for a baseball field, a swimming pool, and a recreation center.²¹

The Price Company has recently initiated a stock-sharing plan for its employees. Stock-sharing plans represent an effort to give workers a small stake in the company so that they will define themselves as partners with the company.

Price is proud of its skilled workmen in the forest and the mill, and they are proud of their company! Many families have worked for Price for generations. And now the Price Company has added a new benefit to all its employees. They can participate in the profits of their company through the purchase of shares. These shares are offered to employees at a discount from the market price and are paid by installments through payroll deductions.²²

During one week each year, employees can purchase Price stocks at 15% below the market price. If the stock goes down, employees can get their money back with 6% interest at the end of the year.²³

The Price Company has also developed a sophisticated array of welfare activities for its employees, including

²¹ Informant 10; Informant 2.

²² Price, "In the Forests Since 1816," n.d.

²³ Informant 5.

generous fringe benefits, support for recreational programs, support for local charities, company scholarships, incentives for long-term employees, and the voluntary adoption of progressive policies. The company regularly contributes to local Chandler charities including the Red Cross, Girl Guides, Boy Scouts, the Cancer Society, and various Gaspesian churches. Gaspesia Pulp places regular paid advertisements in local publications, including high school yearbooks, newspapers, and the local historical review. When Chandler celebrated its fiftieth anniversary in 1967, the company was actively involved. E.P. Walsh, the general manager, served as Vice President of the Comité du Cinquantenaire which organized the festivities. Mr. and Mrs. Walsh headed the anniversary reception committee. Similarly, several other company executives served on anniversary committees.²⁴

In 1968, a New York Times scholarship was instituted, providing a Gaspesian student with a four year \$1,000 annual scholarship to any university. In addition, the recipient is guaranteed four summers' work at the Chandler mill (at about \$1,200/summer). The winner is selected by a committee composed of the mill manager, the superintendent of personnel, the mayor of Chandler and high school principals from Chandler and New Carlisle.²⁵

Price encourages employees to stay with the company

²⁴Chandler, Album souvenir. ²⁵Informant 15.

for twenty-five years or more by promoting the Order of Long Service. Any employee with a quarter of a century service becomes a member of the Order and is presented with the Insignia of the Order and a gold watch.²⁶

On October 1, 1967, Price voluntarily undertook a program to eliminate the use of time clocks for hourly paid employees. This program, which stresses the company's basic policy of "faith in the individual" and puts increased responsibility on first-line supervisors has been well received by employees and the union alike.²⁷

Gaspesia Pulp and Paper also sponsors a Labor Day picnic and cocktail party for its employees.²⁸

These examples illustrate some of the activities Price Company has instituted to maintain its position as the dominant force in the lives of its employees. Price is more than just a company; it is a social institution, almost an empire, unto itself. Price has its own flag that flies high atop the Quebec City Price Building that serves as company headquarters. Miniature Price flags are to be found on desks in executive offices and meeting rooms throughout Price mills. The company publishes its own newspaper, Projections, eleven times a year, in both French and English, "for all employees

²⁶Price, Projections, pp. 6-7.

²⁷Price, "Annual Report," 1967.

²⁸Informant 1.

of the Price group."²⁹

Nevertheless, welfare capitalism has not been entirely successful in Chandler. One of the company's problems has been the workers' sensitivity over anything that sounds paternalistic. An example was the absolute refusal of Chandler families to participate in a company-sponsored program of free movies for children. Nor are workers participating in the stock sharing program, despite the "money-back guarantee" and an especially active company promotional campaign. A top company official expressed disappointment in the low rate of employee participation (5%).³⁰ Moreover, the Grand Pabos Recreation Club has not succeeded in significantly breaking down social barriers in its fifteen years of existence.³¹ Although both workers and management personnel attend the club, the two groups do not interact socially at the club, maintaining class separation.

Welfare capitalism has served as a factor which mitigates and eases rather than doing away with class tension. Workers see the company providing needed recreational services; they do not view the company as the enemy. However, workers are quick to point out that the social advantages they enjoy (paid vacations, health

²⁹Price, Projections, p. 2; author's observation of Price offices in Chandler and Quebec.

³⁰Informant 15. ³¹See chapter 14.

insurance, pension plan, etc.) have been negotiated by the union. They recognize the significant difference between a gift and a concession.³²

Although in recent years the company has reduced its direct involvement in some areas of community life, it still plays an active role as a social leader in town. A management official explained that in a small town the company is everything, people come to the company with all their problems; it is involved with local schools, hospitals, churches, the municipal government. Bruce Little, general manager of the company, is president of the corporation raising funds to build a new hospital in Chandler. The company has for years given bursaries to local high school students.

Chandler has remained a company town over the years owing its name to the banker who invested the money for the construction of the first mill, and its continuing survival as a town to the pulp and paper mill that has always been the only major employer in town. Different companies have come and gone, but the mill has remained. "The company" at any given point has always been the dominant force in all aspects of Chandler's life.

³² Informant 2.

CHAPTER 7

COMPANY RELATIONS WITH THE MUNICIPAL GOVERNMENT

Introduction

As one would expect, the municipal government in Chandler has paid careful attention to the voice of the town's only large industry. Although the mill underwent a series of ownership changes over the years, the institution of "the company" persisted. This chapter discusses in an historical framework, the changes in relationships between "the company" and the municipal government.

Municipal government in the early years (1915-1923)

From the first municipal elections in Chandler on February 7, 1916, the municipal government was dominated by Chandler's economic and social elite.¹ The store of

¹ John Porter, The Vertical Mosaic: An analysis of Social Class and Power in Canada (Toronto: University of Toronto Press, 1967), p. 13 writes:

In the study of social class in the small community, there is a first glance logic about these procedures. Most communities have their 'old families,' their 'high class' streets and their 'other side of the tracks.' They have their church congregations of important folk and their gospel tabernacles, their country clubs and their pool rooms. . . . Any perceptive and articulate

Felix Molloy, Esquire, Justice of the Peace, was the first polling place. Only property owners were eligible to vote; since workers at the pulp mill rented their houses from the company, they were excluded from participation in municipal politics. In fact, only about 34 voters participated. That first town council, unmistakably upper class in composition, included Louis N. Rail (rentier and owner of a large fish stand); Arthur J. Arnold (owner of a large general store); Christophe Côté (owner of a large general store); Michael Murphy (postmaster and large landowner) and Adelard Langolis (ambiguously described as a "manager"). The first mayor, Gabriel Myles, was a large landowner, clerk and owner of a hotel.²

The town council's social class composition has

person who has lived in a community for some time becomes aware of the community culture which separates people and groups into class levels. He also becomes aware of who 'belongs' and who does not, which of the cliques and groups 'rate' and which do not, and with which important people community projects are usually cleared. It is possible too, that in all this status assignment, there is a general community consensus which takes into account not any single criterion such as name or occupation, but a range of subjective criteria.

Recognizing that the "community consensus" mentioned by Porter has operated virtually unchallenged in Chandler, this author has used the terms "social" and "economic" "elite" to refer to those families who have been designated by "community consensus" as the important families. In all cases, this elite status has been a consequence of dominant economic position.

²Chandler, "Minutes," book 1, pp. 1-5, 16, 17, 24; book 2, p. 37; Grenier.

remained constant throughout Chandler's history with the social and economic elite virtually monopolizing the council seats. Local businessmen have been the most important social group on the council; at least one half of the membership of any given council has been businessmen. Professionals and company executives have also consistently served as councilmen.³

In the early years, local politics was dominated by a few men, among whom three names recur most frequently in municipal records: Christophe Côté, who sat on the council for over twenty years and then became mayor; Gabriel Myles, who was mayor for a year and then councilman for more than twenty years; and Charles Lamb (a general contractor and former mayor of Percé), who served on the council for four years (1920-24) before a nine-year term as mayor. Moreover, certain men held more than one local office simultaneously. Côté, for instance, in addition to his duties as councilman, was active on the school commission for over twenty years and in the church fabrique; Michael Murphy was postmaster, churchwarden and mayor; Louis N. Rail served on both the council and the church fabrique; Arthur Nadeau acted as secretary-treasurer of the town and churchwarden; Henry Daken was tax evaluator, constable and churchwarden.⁴

³Chandler, "Minutes," book 2, p. 103; books 1 to 7.

⁴Chandler, "Minutes," books 1 to 5; book 1, pp. 6,

Company taxes

A central issue occupied town officials during this period: how could they formulate an agreement with the pulp company to establish an equitable tax rate? Before Chandler became a municipality, the council of St. Adélaïde de Pabos had granted a twenty-five year exemption from municipal and school taxes to the St. Lawrence Pulp and Lumber Company. The new municipality of Chandler hoped to persuade the company to pay some municipal taxes. Negotiations between the town and the company resulted in a series of agreements:

1. Entente of April 25, 1916

The municipality agreed to:

- a) Purchase the sewage and water systems from a Chicoutimi-based construction company
- b) Float a bond issue to raise capital for the purchase and subsequent extension and improvement of the sewage and water systems.

The company agreed to:

- a) Guarantee to purchase the bonds which the town was unable to subscribe
- b) Have its properties inscribed on the town valuation roles.

In return for the above company concessions, the municipality guaranteed:

- a) That the company would have free use of the town water system for a period of twenty-five years
- b) That the company would be exempt from all general and special municipal and school taxes for a period of twenty-five years.⁵

2. November, 1919 Revision of the 1916 Entente

Although exact terms of this agreement are not available, there was a "re-adjustment of the conditions for an exemption of taxes already granted to the company." The company agreed to aid the town in its expansion work on the sewage and water systems. The company also promised to build "additional houses for workmen"⁶

3. Entente of July 5, 1920

The municipality:

- a) Reaffirmed its intention of floating a bond issue to finance the purchase and improvement of the water and sewage systems

⁵Chandler, "Minutes," book 1, Copy of Entente.

⁶Chandler, "Minutes," book 2, pp. 123-25.

- b) Pledged to seek aid from the provincial and federal governments for the construction of new houses for company workers

The company agreed to:

- a) Perform extension work on the sewage and water systems
- b) Provide the town with electricity at the cost of \$10 per year per 40 watt lamp
- c) Pay the municipal deficit each year; that is, to pay the difference between revenues from all other ratepayers and total municipal expenses ⁷

After four years of negotiations during which the company had paid no taxes, the town council became somewhat suspicious of the company's intentions. These suspicions can be detected in an August, 1920 resolution concerning the July entente. The resolution provided that before the company began any work on the water and sewage systems, it was required to submit to the council a budget showing the work proposed together with exact costs. The company was also instructed to submit detailed plans and blueprints of proposed works, and further "that these plans and specifications should specify the kind

⁷ Ibid., pp. 130-34

and quality of material it is proposed to use in this work."⁸

New agreements were signed in April and May, 1921. The terms were substantially the same as those of the July 5, 1920 entente except for minor revisions concerning details of work on the sewage and water systems. A council resolution of December 6, 1921 instructed the secretary-treasurer to take steps to carry out the agreement made with the company. Presumably, the company paid the municipal deficit for the year 1921.⁹

As a result of the protracted negotiations, the company enjoyed an eight-year tax holiday from the beginnings of its operations in 1913 until 1921. A former councilman recalls that the municipal deficit usually ranged between \$2,000 and \$5,000 a year,¹⁰ certainly not a great financial burden on the company. The town also profited from the negotiations, managing to reduce the company's tax exemption from twenty-five years to eight years. The revised tax arrangement with the company provided the town with financial stability and erected a fiscal bulwark against debt. Both sides were satisfied with what seems to have been a fairly equitable result

⁸ Ibid., p. 144.

⁹ Chandler, "Bylaws," Chandler City Hall, pp. 63-79; Chandler, "Minutes," book 3, pp. 28, 37, 58.

¹⁰ Informant 9.

of these tax negotiations.

Company participation in municipal politics

No company officials sat on the town council before 1920. However, in 1920 Antoine Dubuc, mill superintendent and son of company president and general manager J.E. Alfred Dubuc, was elected to the council. Dubuc's election signaled the beginning of active company participation in municipal politics. In the elections of 1921, Alfred Dubuc vociferously supported the mayorial candidacy of his forestry superintendent, Georges Boisvert. Some members of the town council objected to what they viewed as Alfred Dubuc's interference in municipal affairs, as the following conversation between Alfred Dubuc and a councilman demonstrates:

Dubuc: Aren't you working against me?

Councilman: No, I'm working for the town. I don't want the company to be in the town government.

Dubuc: Please don't say anything in public.

Councilman: It's impossible to tell a man to shut his mouth. I won't say anything against you, but I'll talk against the company being in the town government.¹¹

Nevertheless, despite the opposition of several civic officials, Boisvert was elected mayor. (Exact voting statistics are unavailable.)

Dubuc's participation in the 1921 election sparked a political debate among Chandler ratepayers over the proper role of the company in municipal affairs. That

¹¹ Ibid., Chandler, "Minutes," book 2, p. 113.

this was no social class struggle between the two factions in the debate can be deduced from the fact that both groups belonged to Chandler's elite of prominent businessmen and municipal officials. One group did not object to the company's controlling the town government and thus supported the company's involvement in municipal affairs. Nor was the second group anti-company; its criticism was limited to the question of the company's proper role in municipal politics. This group sought to preserve the independence of the municipal government; as one former ratepayer expressed the logic of the municipal opposition: "You can't say yes all the time."¹²

Despite the efforts of civic officials and ratepayers interested in minimizing company participation in the town government, the company's involvement and influence did increase between 1920 and 1923. By 1921, four of six councilmen were company officials. The years 1921 to 1923 were also the only years in Chandler's history when a company executive served as mayor.¹³

Company domination of Municipal Politics (1923-1931)

Council responses to Bay Sulphite's bankruptcy

When the Bay Sulphite Company failed in November, 1923, the immediate effect was to throw Chandler's entire

¹²Informant 4; Informant 5; Informant 9.

¹³Chandler. "Minutes," book 2, pp. 164-66.

work force into the ranks of the unemployed. The town council passed a resolution aimed at getting some relief for the workers:

Resolved: That this council send the petitions that have been received from the unemployed together with this resolution to Dr. Gustave Lemieux, M.P. [along with a request for the provincial government to aid] . . . the many unemployed who are now and will be without work for some time.¹⁴

The council also made efforts to alleviate the situation by attracting a new investor to re-open the pulp mill. The council sent a telegram to Rodolphe Lemieux, M.P. on March 4, 1925 which argued that in view of excessively high rail rates, no company would be interested in investing unless adequate shipping and landing facilities were built. The council requested a Federal grant of \$100,000 for construction of a wharf.

The critical moment seems to have come when the fate of several millions of dollars spent to build and equip a Pulp Mill as well as several hundred thousand dollars spent for dwelling houses and their improvement will be known.¹⁵

By July, 1925, the government had authorized a grant of \$50,000 for preliminary work on the harbor project, although Bonaventure Pulp and Paper Co. took over operations of the mill on April 1, 1925.

Bay Sulphite's bankruptcy troubled the council for another reason: the loss of tax revenue. Clearly, a

¹⁴Chandler, "Minutes," book 3, pp. 126-27

¹⁵ibid., pp. 179-80, 195---

bankrupt company was, in no position to pay the municipal deficit. One councilman suggested that if Bay Sulphite was not able to pay its taxes, other ratepayers would bear an increased tax burden.¹⁶ As businessmen and professionals, the councilmen were deeply concerned that if the mill remained closed they would have no rate-paying property owner.

Mayor Charles Lamb (1924-1933)

The election of Charles Lamb as mayor in 1924 represented another company victory. Although not a company official, Lamb had been recognized for years throughout Chandler as a close friend of Dubuc. When Dubuc left Chandler, Lamb enjoyed the support of both the Bay Sulphite and Bonaventure companies, especially at election times. In fact, during election campaigns, the company's general manager presided at campaign meetings, sharing the platform with Lamb. The message was clear, as a ratepayer explained. "Well, the manager would be up there, with Mr. Lamb sitting on one side."¹⁷ Lamb faithfully repaid such support; so faithfully indeed that at times Lamb appeared to be working for the company first and the town second. For instance, he was unable to attend the municipal elections of 1929, as he

¹⁶ Ibid., pp. 126-27; Charges against Gabriel Myles, Chandler, "Minutes," book 3; insert near April 9, 1925 meeting, (Typewritten.)

¹⁷ Informant 4; Informant 5; Informant 9; Informant 8.

explained in a letter to the council, "on account of important work I have to do for the Bonaventure Pulp and Paper Company on that day."¹⁸

These were years of close cooperation between company and town government. Social relations between company executives and town councilmen reached a peak with a "Banquet tendered to public officials of the Town of Chandler in commemoration of the progress achieved during the year 1927." On February 18, 1928, this banquet took place at the Chandler Social Club which had been founded by J.B. Beveridge, general manager of the Bonaventure Pulp and Paper Company. Its theme was "Progress and Prosperity". Beveridge was toastmaster for the evening and W.R. Roberts, mill manager, was "proposer of toasts." Incidentally Mayor Lamb, as keynote speaker, chose "Law and Order" for his topic.¹⁹

The tax books

In 1924, the council hired Édouard Nolet, chief accountant for Bay Sulphite and later Bonaventure Pulp, as the town's secretary-treasurer. Nolet not only kept the municipal tax books in his office at the mill, but Chandler ratepayers actually paid municipal taxes at the company office. Once again, debate raged over the

¹⁸ Chandler, "Minutes," book 3, .p. 412.

¹⁹ Chandler, "Minutes," book 3, insert, Program Notes for Banquet.

propriety of the company's increasingly visible role in municipal affairs. Many ratepayers and municipal officials were furious about having to pay municipal taxes at company offices, objecting to both symbol and reality. Symbolically, the town had surrendered its jurisdiction to the company; the company collected the taxes. In fact, of course, the company's physical possession of the tax books did represent an increase of company control over municipal finances. However, other town officials argued quite plausibly that Nolet had been hired simply because no one else in Chandler was a qualified accountant. This latter faction claimed that the company's possession of the tax books posed no threat to municipal independence.²⁰

Once again the pro-company group was victorious. The tax books remained in the company offices throughout Nolet's term as secretary-treasurer (1924-1933) and ratepayers continued to pay their taxes at the company offices. The local opposition failed to achieve its goal of freeing the municipal government from company control. "It was a case of big dog eat little dog. The opposition was watching but they couldn't do too much."²¹

²⁰ Informant 4; Informant 5; Informant 9; Informant 7.

²¹ Ibid.; Informant 8.

The Depression (1931-1937)

Chandler's work force was again unemployed when the mill ceased production in 1931.²² At this point the town council's overriding goal was to ensure the survival of the population of Chandler. They submitted monthly requests to the provincial government for direct aid to the unemployed. The need for such support is clearly stated in this July, 1932 council resolution forwarded to the Quebec government requesting aid on the grounds that:

. . . the only industry in Chandler which supports this town is still indefinitely closed and that no other means of sustaining the people of this municipality are available and that there are 139 heads of family with 675 dependents in want.²³

Monthly direct aid payments by the Provincial government, ranging from \$2,400 to \$5,200,²⁴ were administered by a "citizens' committee" composed of the curé, representatives from the council, the St. Vincent de Paul Society and the Bonaventure Pulp and Paper Company.²⁵

The council had the usual misgivings about the system of direct aid payments; it felt that "handouts" were detrimental to "les conditions morales et physiques

²²The mill remained closed from 1931 to 1937. By 1933, the town of Chandler was bankrupt.

²³Chandler, "Minutes," book 4, p. 1; book 5, p. 260.

²⁴Chandler, "Minutes," pp. 50, 124.

²⁵Chandler, "Minutes," book 4, pp. 29-40, 11, 12.

de nos chômeurs." As an alternative to direct aid, the council developed a variety of public works programs. An October, 1930 proposal involved work on the town sewers; a plan dated September, 1931 envisioned road work; an elaborate scheme in August, 1933 entailed the construction of a tramway, planting of trees and building of a playground. None of these proposals ever went beyond the planning stages because the provincial and federal governments refused the necessary funds.²⁶

Finally in October, 1936, a \$20,000 public works program was approved. However, it soon became immersed in a scandal. Citizens complained to the council that all work was being performed on the private lands of Premier Pulp and Paper Company (a company that bought the mill but never operated it) at no cost to the company. Moreover, they alleged, most of the money wound up in the pockets of private contractors; the unemployed received very little aid from the project. The council noted in a resolution,

Attendu qu'il] nous semble que le dit octroi n'a pas obtenu, appliqué et administré ni suivante l'esprit de la loi mais uniquement au profit d'une petite poignée d'individus, non chômeurs et de non nécessiteux.²⁷

²⁶Chandler, "Minutes," book 3, pp. 455-60; book 4, pp. 1, 6, 125-26.

²⁷Chandler, "Minutes," book 5, pp. 202-6; books 5, 6, 7. Minutes are recorded primarily in French although there are several English passages.

The resolution authorized the mayor to conduct an investigation into the project, but the results of such an investigation were never made public.

Municipal Bankruptcy

Before the mill closed down, the Bonaventure Pulp and Paper Company had honored the arrangement made by earlier companies to make good the annual municipal deficit. However, when the company went bankrupt, it could no longer pay municipal taxes. Nor, because of the depression, could many Chandler ratepayers meet their municipal tax bills either. The town simply ran out of money. By August, 1933, the municipal financial situation was so desperate that the town council had little choice but to request that it be declared bankrupt. The Quebec Municipal Council acted within a week of the council's request and placed the town government under trusteeship.²⁸

Council attempts to re-open the mill

At first, requests for direct aid payments and public works schemes were emergency measures designed to meet the immediate needs of the unemployed. Soon, the council realized that the only permanent solution to the problem of unemployment in Chandler was to re-open the mill. Bonaventure Pulp and Paper was in no financial position to do this, so the council began to request

²⁸Chandler, "Minutes," p. 129.

that the Provincial government find a new investor willing to reopen the mill. This 1934 telegram to the Quebec government suggested such a move by the government.

This council is advised by representatives of trustees of the St. Lawrence Pulp and Lumber [that they intend to] completely lay up the Chandler Pulp Mill. This will leave no fire protection for the mill and the discontinuance of heating means the rapid deterioration of the mill. The town will be without lights. If possible the government should take available measures to force the issue regarding the possible sale of the properties.²⁹

The properties mentioned in the telegram were sold late in 1934. The council hoped that the new owners (the Celanese Corporation of America) would soon begin production but, after several months of inaction, it became obvious that the Celanese Corporation had no intention of re-opening the mill. The council then renewed its campaign to persuade the Provincial government to find an investor who would actually put the mill back into operation. In 1936, the newly elected Union Nationale government of Premier Maurice Duplessis took the first step toward fulfilling a campaign promise to re-open the Chandler pulp mill. Traditionally Liberal Chandler voted overwhelmingly U.N. in the 1936 Provincial election. The provincial National Assembly passed a bill which gave the Lieutenant Governor power to

²⁹Chandler, "Minutes," book 4, p. 164.

authorize any person, firm or corporation who or which in his opinion affords sufficient guarantees of solvency to acquire, by expropriation the immovables and all the immovable rights affecting the same on which the mill for the production of pulp and paper at Chandler. . . is constructed as well as the buildings and machinery used for such purposes.³⁰

In a November, 1936 resolution, the Chandler council supported the government

. . . pour la loi servant à exproprier le moulin de Chandler adoptée au Parlement les jours derniers afin de remettre le dit usine en opération le plus tôt possible.³¹

Soon after the passage of the expropriation bill by the National Assembly, Celanese sold the Chandler pulp mill to the Anglo-Newfoundland Development Corporation. In 1937, the National Assembly passed a bill which dealt with the re-opening of the Chandler mill. The bill provided that as a concession for having paid the 1931 to 1937 taxes owed to the municipality, the new company (Gaspesia Sulphite) was to have a fixed annual tax of \$12,800 for a period of ten years commencing on January 1, 1938. A Chandler council resolution dated May 3, 1937 expressed approval of the provincial government bill.³²

³⁰ Quebec, Laws, Statutes, etc. : Code of Labour and Industrial Laws of the Province of Quebec (1936): Chapter 23; Informant 4.

³¹ Chandler, "Minutes," book 5, p. 175.

³² Quebec (1937): Chapter 5; Chandler, "Minutes," book 5, p. 244.

Post depression company-government cooperation (1937-71)

All available evidence indicates that this was a period of harmony and close working relations between the company and the municipal government. A former company executive states, "Relations were very good with the council. They never did a thing without consulting us."³³ The council could ill afford to ignore the company which was Chandler's largest ratepayer and only major employer. The assessed valuation of the company properties represented approximately one-half of the total property value in Chandler.

Tax Debate (1947)

As the January 1, 1948 expiry date of Gaspesia Sulphite's fixed annual tax of \$12,800 approached, the council began to discuss an end to the company's tax privilege. A March 20, 1947 council resolution expressed the idea "que la loi soit la même pour tous."³⁴ On May 5, the council proposed that the company be taxed at the rate of \$2.50 per hundred dollars assessed valuation. The valuation would be set at \$2,100,000 for five years. Countering this offer, on September 8, the company expressed its willingness to pay \$16,000 per year for a ten year period. The council then retreated

³³ Chandler, "Minutes," book 7, July 27, 1957, n.p.; Informant 10.

³⁴ Chandler, "Minutes," book 7, March 20, 1947; January 5, 1948.

from its earlier position and suggested instead a fixed rate of \$18,000 per year for a period of five years. The next company offer was a rate of \$17,000 per year for a five year period. The company accepted this decision on January 5, 1948.³⁵

In monetary terms, the company clearly got the best of these negotiations: a tax rate only \$1,000 per year more than the original company offer and \$3,200 a year more than the 1937-47 rate. The council's original proposal, on the other hand, would have resulted in a tax rate of nearly \$50,000 a year. However, the council did reduce the duration of the fixed rate from ten to five years. Understandably, after persuading the council to reduce the proposed annual tax from \$50,000 to \$17,000, the company was prepared to compromise on the duration of the fixed tax.

Later Dealings

In 1952, the council accepted the company's first offer to pay \$20,000 a year taxes for five years with a ten year tax exemption for the mill's new \$3,500,000 bleach plant. The town records make no further mention of any tax discussions between the company and the council.³⁶

³⁵ Ibid.

³⁶ Chandler, "Minutes," book 7, October 6, 1952; Gaspesia Pulp, "Notes on the Past, Present and Future of Gaspesia."

A 1954 meeting between councilmen and company officials was an example of council consultation with the company before taking municipal action: town and corporate leaders met to discuss a proposed special tax for public works. Another example was the municipal charter adopted in 1960; in this case, town officials approached the company with an early draft of the charter. After study, company officials opposed a few sections. The officials, however, agreed to accept the sections in question if the council wrote an exemption for the company's newsprint machinery into the charter. The council accepted this proposal and the charter was adopted.³⁷

The town continued to benefit from its close relations with the company. The company's extensive technical expertise, for instance, was always at the disposal of the town government for a small or nominal cost. In April, 1943, company general manager E.M. Little volunteered the services of company engineers, technical experts and their helpers to solve a problem with the municipal water system.³⁸

Conclusion

The history of company-municipal government

³⁷Chandler, "Minutes," book 7, October 4, 1954; Informant 10.

³⁸Chandler, "Minutes," book 6, p. 280; Informant 10.

relationships has been a history of changing patterns. In the early days, the company and the town battled over taxation or non-taxation of company properties. Then the company moved into a period of direct control of municipal politics. During the depression, there was no company and the town government went bankrupt. After the depression, an era of cooperation between the company and the town began. The one constant factor over the years has been the importance of the particular company operating the mill as a factor in municipal politics.

PART FOUR

THE WORKERS

Chandler has witnessed the industrialization of a rural area. Communal folkways have survived alongside modern technology. The fishermen and lumberjacks became factory workers. Wages have been high; working conditions poor. The union has given a voice to the working class.

CHAPTER 8

WAGES AND WORKING CONDITIONS, (1915-1931)

Introduction

Primitive would be the best way to describe wages and working conditions at the Chandler pulp mill. Workers tolerated the inhuman hours, back breaking labors, dangerous working conditions and low wages because they were earning more money than they had been before the mill opened.

Working Conditions

In these early years of the mill, heavy physical labor was the rule. There were few machines; men lifted 400 pound bales of pulp by hand. As one informant put it, "people worked hard enough."¹

"The hours was long."² The so-called H-13 system was in effect; the day shift was from 6 a.m. to 7 p.m. and the night shift, from 7 p.m. to 6 a.m. Men worked six days a week. Only about five minutes were set aside for lunch, so workers always ate on the run. There were no vacations and no overtime.³

¹ Informant 8. ² Informant 3.

³ Informant 3; Informant 8.

Many boys began working at the mill when they were 15 or 16 years old. There were even a few 12 year olds working (mostly in the office). There are indications that working in the mill was harmful to workers' health; fumes from the digester in the acid plant apparently ruined the lungs of many workers. In fact, one informant claimed that all of the men who worked in the acid plant in the old days were dead, and that most had died in their early 40's from lung diseases.⁴ The excessive heat in many parts of the mill, moreover, has led to severe heart conditions for many workers. The difficulty of the physical labor itself also took its toll. In the words of one informant, "Many poor fellows played out and died. They worked themselves to death."⁵

Accidents were quite common during these years, when there were few, if any, safety features. Motors and shafts for instance, were totally open and unprotected; digester pipes, too, were extremely unsafe. "Them bloody old things would bust and spill acid all over the place" and there were no escape ladders.⁶ Fatal accidents were all too common. The tales of unfortunate victims were passed down as part of the oral history of the working class. Five such examples of fatalities were recounted

⁴ Informant 8. ⁵ Ibid

⁶ Informant 8; Informant 12.

by informants, which took place between 1937 and 1960:⁷

1. A man was oiling a long drive shaft in the woodroom, when his coat got caught around the shaft. The shaft kept turning and every time it turned, his head struck the cement floor until he died.
2. A man from Newport was painting the blowpits where the sulphite was cooked. He fell into the pits which were "terrible hot" and he was cooked "like a piece of meat."
3. A man named Warren was working on two saws that sawed out the deep knots. The machine was not grounded and during a thunder storm he got struck on the saw-bench and died because there was no way to stop the saw.
4. A man named Degary was a millwright working on a conveyer belt with a wide link chain. He had to go inside a boarded-up area to do some work. The signal to tell workers that someone was inside was to throw up the conveyer belt. A man came by and turned the belt back on. "The poor fellow was crushed."⁸
5. Fred Lucas, 30 years old, was working on a machine called a slasher that consisted of saws and a chain. Lucas fell onto the saws, got caught up in the slasher, and cut open so the workers could see his lungs every time he breathed. It happened to be

⁷ Informant 12; Informant 7. ⁸ Informant 12.

pay day and his check was in his pocket. Lucas took his check out and said "Give my check to my wife." He lost a lot of blood and kept saying "It's cold. I'm cold," although it was a warm day. Fred Lucas died during the night.⁹

Workers were not compensated at all for injuries on the job. Health insurance, pension plans, or workman's compensation were unknown in Chandler.¹⁰

Wages

Figures 1 and 2 indicate that wages were considerably lower in Chandler than at other pulp mills in the rest of Quebec and Canada. Workers in Chandler were getting paid half as much money to do the same work as men in Ontario. Other points to note about wages, given in Figure 1, are that 20¢ an hour was an absurdly low wage for factory work in the 1920's and that there was no increase in wages from 1923 to 1929.

Social Class

Class separation was the rule in Chandler. Management officials and workers lived in separate neighborhoods, with very little social interaction between the two groups.

Dubuc's arrival in 1915 marked the beginning of some class tension in Chandler. "That's when the trouble

⁹ Ibid. ¹⁰ Informant 3; Informant 8.

Figure 1

HOURLY WAGES FOR COMMON LABOR IN CHANDLER,
 QUEBEC, ONTARIO AND B.C.

	Chandler	Quebec	Ontario	British Columbia
1923	\$.20	\$.31	\$.40	\$.46
1929	.20	.31	.40	.46

SOURCES: Guthrie, p. 159; estimates from Informant 8; Informant 4;
 and Informant 19.

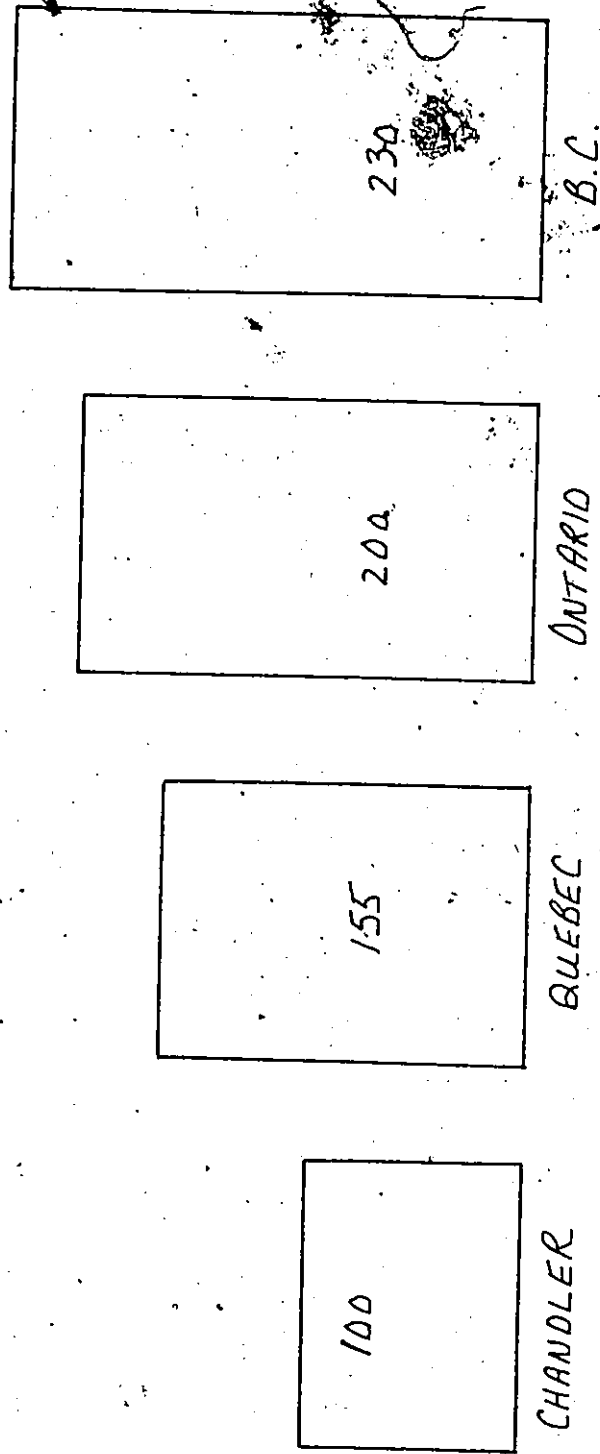


Figure 2. Relative wages for common labor in Chandler, Quebec, Ontario and British Columbia, (1923 and 1929)

SOURCES: Guthrie, p. 159; estimates from Informant 8; Informant 4; and Informant 19.

started."¹¹ Workers resented what they regarded as the arrogance of Dubuc and the staff he imported from Chicoutimi. Comments from informants reveal this resentment against the key men "or at least they thought they were key men."¹² Dubuc "used to sneak around the mill;"¹³ he was seen as "pretty arrogant."¹⁴ "The men didn't care too much for Dubuc."¹⁵ Instances such as that in which an older worker had trouble getting paid by Dubuc did not improve relations between workers and management. But according to one informant, the workers were successful in applying social pressure on Dubuc and his staff to change their arrogant attitude. "They came down when they seen that it didn't go over good here."¹⁶

A major source of tension was the company's hiring and firing practices which workers viewed as arbitrary. Periodically the company brought in new workers from the outside to replace older workers who had friends and relatives in the mill and the town. This led to fist fights between the newly hired men and the friends of the men who had been laid-off.

Informants recall those early days as wild and

¹¹ Informant 8. ¹² Informant 4.

¹³ Informant 12. ¹⁴ Informant 8.

¹⁵ Informant 42. ¹⁶ Informant 8.

woolly times. Many of the workers were related to each other and family feuds often carried over from the home to the factory where they erupted into brawls. Tension within the working class arose from preferential treatment afforded to office workers, who received higher wages than sulphite workers; office workers, moreover, unlike sulphite workers, were entitled to paid vacations.¹⁷ Laborers often battled foremen whom they generally regarded as "bullies." An informant laughed about an incident during the 1920's when his brother chased a foreman up a pole in the mill.¹⁸

Economic pressures forced many men to drop out of school at an early age and go to work at the mill. Local schools that only went up to grade 8 were not known for their high quality of education. Most sulphite workers had completed no more than grade 4 or 5; many could not even write their own names.¹⁹

Chandler's work force was about 85% French-Canadian;²⁰ from 1915 to 1923, the management was also French-Canadian. The English-speaking (largely Irish) minority resented the power in the hands of the French and, in fact, in 1918 a dispute between English and French caused most English to quit their jobs at the mill.

¹⁷ Informant 4. ¹⁸ Informant 12.

¹⁹ Informant 4; Informant 10.

²⁰ Informant 1; Informant 10.

Unfortunately, none of the informants could recall any further details about this incident. Between 1923 and 1930, the management was unilingual (English-speaking); the English bosses simply handed down orders through French-speaking foremen.²¹

Brutalizing working conditions obviously contributed to the evident social tensions; the company, of course, preferred to keep the working-class divided. As long as the French and English workers were fighting each other and as long as skilled workers were fighting unskilled workers, a union to demand better working conditions and wages for all workers was impossible. Some degree of class consciousness became evident as the workers recognized the class system that rewarded the managers and kept the working class powerless and economically weak.

CHAPTER 9

THE DEPRESSION

Chandler's economic prosperity was interrupted by the depression. The pulp mill had created the town of Chandler; suddenly the mill was closed down. However, the community did not collapse; in fact, the crisis seemed to draw the people together. Many old timers still recall the dark spring day in 1930 when the pulp mill shut down. Symbolically, the chimney was covered. Most residents were aware of the worldwide depression; the mill had only been operating sporadically since late 1929. The Chandler workers lost their jobs but few expected to be out of work for seven years.

These were seven long, lean years in the history of Chandler. The human impact of the mill's shutdown was shattering; families became demoralized, wondering if the end would ever come. Chandler was, "paralyzed." The depression years were "black, tough years." It was "a lonesome time. Oh, boy, it was tough." It didn't help much to know that people suffered all over the Gaspé. What few jobs there had been suddenly

¹ Informant 4.

disappeared; what little money there had been was gone. "It was an awful blow. Things were just terrible all over the Coast."²

In Chandler very few families had accumulated any savings. Families that had been used to living on an income of \$15 a week were forced to survive on a weekly government dole of \$6. People coped with the situation the best way they knew how. "Nobody had anything, but you had to manage."³ Many dug gardens, kept pigs, and milked cows. It was almost as if the clock in Chandler had been turned back twenty years. Life returned to its pre-industrial state. The only difference was that many workers had become so dependent on the pulp mill and so much a part of the industrial working class that they had lost the ability to survive in a rural situation. Since there was nobody to buy fish, the main livelihood was gone.⁴

Many went hungry. Diets of pea soup and salt pork were common. The suffering was so acute that the municipal government regularly requested the provincial government to donate winter and summer clothes to needy families. The provincial government gave citizens

² Informant 3. ³ Ibid.

⁴ This section and the rest of the chapter represents the author's synthesis of reports from Informant 4; Informant 7; Informant 8; Informant 3; Informant 19; Informant 14; Informant 10.

permission to cut fire wood on government limits. For several weeks, there was no electricity in Chandler. Bonaventure Pulp owned the town's electrical system and when the mill closed, the electricity went too. Two local engineers reestablished limited service by building a small generator which they operated from the basement of the hospital. The town only had lights from 7 p.m. to 11 p.m. Electricity operated on Monday morning so families could do their laundry. Some local merchants took advantage of the situation by trying to squeeze every penny from their desperate customers who were struggling to survive. The story is told of one merchant who weighed each biscuit before selling it; if the biscuit were even an ounce over a pound, he broke off the extra piece.

But the Chandler community generally survived by sticking together and employing practices of mutual aid. As one informant recalled, everyone was equal during the depression - equally poor. Consequently, people helped each other out. They were "hard times, but good times."⁵ Chandler rediscovered a sense of community that had been destroyed by the recent industrialization. Communal folkways had been disrupted and interrupted by the pulp mill, but the tragedy of unemployment brought the communal folkways back into practice.

⁵ Informant 14.

Chandler's citizens registered very little active protest, probably because they were too busy struggling for subsistence. "Maybe today, we'll walk on the Council, on the Federal and Provincial government, but not then."⁶ One informant believed that the lack of protest was due to the lack of a union or any organization to mobilize the underlying discontent.

A fortunate few left Chandler. They were the ones with a job offer, a little bit of money, or somewhere to go. Most workers had nowhere to go, no way to get there and nothing to do once they got there. At least in Chandler, they had homes and families. Many residents were attracted by a provincial government offer to pay colonists to clear and work land in the interior of the Gaspé Peninsula. However, the land was not productive and the colonies were a colossal failure. The provincial government finally admitted their failure in the late 1960's by closing the colonies and relocating the colonists.

Most families stayed in Chandler and struggled to get by with what they had. There were years of crisis and deep human suffering, but that suffering tied the community together. Despite industrialization, Chandler had retained the important social customs of a rural community. Mutual aid traditions were especially

⁶ Informant 7.

strong and ties between families and neighbors continued to remain close. These folk traditions were the key to enduring and overcoming the trials of the Great Depression.

CHAPTER 10

WAGES AND WORKING CONDITIONS (1937-1970)

Probably the most significant change in working conditions between this era and the years before the Depression was the increased mechanization at the mill. Many jobs which had involved heavy labor in earlier times were now done by machines. Four hundred pound bales of sulphite were once lifted by hand; later the forklift picked up the burden. Informants agreed that working in the mill in the 1960's was far less physically exhausting than in the earlier days.¹ A million dollars' worth of improvements took place in the mill before it re-opened in 1937. Since 1937, year after year more tasks have been automated.²

When the mill re-opened, the Chandler work force was similar to that of the pre-depression period. In fact, every worker who was still in the area and willing to work in the mill got his old job back. There was virtually no change in the character of the work force save the collective experience of seven years of poverty.

¹ Informant 8; Informant 12. ² Informant 10.

and unemployment.³

Safety

Among the safety and security improvements gradually installed were closed circuit television, guard rails and safety switches. Fatal accidents have all but ceased; serious accidents declined significantly, and job injuries of all types have been reduced since the early days.⁴

These statistics were small comforts to R_____ 's friend George whose health declined in his early 40's. George asked for an easier job and the foreman assigned him to watch the barking drum. The bark got caught in the rollers, causing the conveyer belt to stall. George started clearing the wood from the rollers when his hands got caught. The belt hauled George up and broke his neck. R_____ had worked with George for years and was looking forward to seeing him that morning, only to be told: "Your friend got killed last night. . . . I was shocked. You're working with a guy so many years. He was a good worker. Makes you feel bad."⁵

A recent near-disaster points out the dangers that still exist in the mill. Again the problem was a con-

³ Informant 7.

⁴ Informant 12; author's observation of the plant.

⁵ Informant 12.

veyer belt's backing up with pieces of wood from the barking drums. A group of workers had just left their working area for a breath of fresh air. Suddenly the conveyer belt stopped up and several huge blocks of wood crashed down where the men had been working and smashed into pieces the bench where they had been sitting. This all happened within a split second with no warning. Had it happened a few moments earlier, the men would surely have been killed.⁶

Statistics were also no comfort to the many men who were severely injured. Fingers and hands were favorite targets of the knot saws. It was common for hands to get too close to the blades; when a piece of wood got caught and turned out of a man's hand, the effect on fingers and hands was devastating - "They turned so quick - I was afraid of those saws."⁷ Quite a few limbs were lost. In the winter of 1969-70, a forty-seven year old man lost an arm and a leg when he fell between the rollers. Minor accidents still occur all too frequently. R_____ 's brother cut himself with an axe; R_____ himself has thrown hooks into his toe many times and had broken his foot several years ago.⁸

The Pulp and Paper Magazine of Canada produces an annual report ranking major pulp and paper mills in

⁶ Ibid. ⁷ Ibid. ⁸ Ibid.

terms of safety. Chandler's safety rating was excellent from 1937-1947. But as Figure 1 indicates, the decline in safety rating since then has been sharp. Since 1957, Gaspesia Pulp and Paper has ranked consistently as one of the most dangerous mills in Canada. Gaspesia has stood at or near the bottom of the scale every year.

Working in the mill continued to have ill effects on workers' health.⁹ Quite a few workers died from heart attacks which doctors attributed to working in the mill, especially in the groundwood room. Steam created excessive heat in that room and apparently the fans were not very effective in reducing the heat factor.¹⁰ In another section of the woodroom, cold was the problem; there was ice in some corners. Workers' feet were constantly wet from standing in water. R_____ came down with rheumatism at the age of 36, the result of working for years in the cold and damp of the woodroom. Although the company kept promising they would install a heater, they never did so until after the woodroom closed down, finally installing a heater when the room became a storage area for equipment.¹¹ This might lead to the conclusion that Gaspesia Pulp and Paper Company was more concerned about the welfare of its machines than of its employees.

⁹ Ibid. ¹⁰ Ibid. ¹¹ Ibid.

Figure 1

GASPESIA'S SAFETY RATING AMONG
MILLS IN A SIMILAR CATEGORY

Year	Gaspesia's Rank	Number of mills in Category
1938	3	25
1941	5	29
1943	10	31
1945	5	33
1946	1	35
1947	13	38
1948	21	46
1955	25	41
1957	31	34
1960	36	46
1962	40	43
1964	45	47
1966	29	42
1968	41	41
1970	22	27

SOURCES: Pulp and Paper Magazine of Canada 38
 (December, 1938) 912; 41 (December, 1941) 810; 43 (December,
 1943) 970; 45 (December, 1945) 1032; 47 (December,
 1947) 158; 48 (December, 1948) 144; 55 (December, 1955)
 180; 57 (December 1957) 237; 60 (December, 1960) 202;
 62 (December, 1962) 178; 64 (December, 1964) 214; 66
 (December, 1966) 247; 68 (December, 1968) 109; 70
 (December, 1970) 168.

Digesters were another source of trouble, especially in the early 1940's. Acid occasionally spilled out and burned workers; fumes often leaked, causing bloody noses. These fumes were reputed to damage the lungs; in fact, some workers developed lung problems and had to transfer to different departments. For a few years there was chlorine in the bleach plant. "If you got a whiff of that, you'd be a goner."¹²

Hours of work

Evidence about the length of the work week between 1937 and 1943 is inconclusive. No written records exist and informants' reports contradict each other. Most sources indicated that the earlier 11-13 system with a six day work week (or an average working week of 72 hours) survived for the first few post-depression years in most jobs involving common labor in unskilled and semi-skilled positions. Skilled workers, office workers and management personnel put in a 48 hour week.¹³ The first union contract in 1943 established a 48 hour week. Although dates are unavailable, it is known that the company reduced the work week first to 44 hours and then to 40 hours. Apparently the company resisted shortening the work week, claiming "it was such a

¹² Informant 13.

¹³ Informant 7; Informant 3; Informant 12; Informant 13.

mess. There'd be a lot more trouble for the foremen."¹⁴

Fringe Benefits

Before 1943, paid vacations were unheard of at Gaspesia for anyone except office workers and management officials. The first union contract guaranteed two weeks paid vacation after ten years service. Vacation benefits have steadily improved since that time. In 1955, employees received a one week vacation after one year of work, two weeks after five years and three weeks after fifteen years. By 1960, employees who had worked ten years were eligible for three weeks vacation, and in 1965, employees with twenty years service received four weeks of vacation. In 1968, employees who had worked three years received two weeks vacation and those who had been on the job eight years had the right to a three week vacation.¹⁵ Beginning in 1955, workers received four paid holidays (Christmas, New Year's Day, Labor Day and All Saints Day) in addition to one floating holiday (after one year's work). The 1956 union contract increased floating holidays to two, and in 1968, four floating holidays were provided.¹⁶

¹⁴ Informant 12; Montreal, International Brotherhood of Pulp, Sulphite and Paper Mill Workers, Files, Contracts, (hereafter cited as I.B.P.S.P.M.W. files).

¹⁵ I.B.P.S.P.M.W. files

¹⁶ Collective Convention, 1955, 1956, 1968, I.B.P.S.P.M.W. files.

No pension or health insurance plans were available to employees before 1947. Hospital insurance, group life insurance, and retirement plans were instituted between 1947 and 1955. The employees paid the entire premiums. After 1955, the company gradually increased the percentage that it contributed for these plans. By 1963, Gaspesia had adopted what international union officials termed "possibly the best pension plan in the Paper Industry to date."¹⁷

Wages

Figure 2 indicates that wages have gone up steadily at the Chandler mill. However, as Figure 3 shows, wages at Gaspesia have lagged far behind the Quebec average. In fact, between 1955 and 1963, Gaspesia's common labor rate was the second lowest among sulphite and groundwood pulp mills in Canada. Only Irving Pulp in Lancaster, New Brunswick (which folded in 1961) paid lower wages.¹⁸ The union did not push the company very hard on the wage question. The union president wrote in a letter to the international offices in 1963, "As you know, Gaspesia has had hard times for several years. Last year they were in the red for nearly

¹⁷Aurele Ferlotte to John Burke, International President, July 8, 1963, I.B.P.S.P.M.W. files.

¹⁸"Study of Wages in Sulphite and Groundwood Mills in Central and Eastern Canada," I.B.P.S.P.M.W. Files.

Figure 2

COMMON LABOR WAGES AT CHANDLER PULP MILL

Year	Wages per hour
1937	.375*
1943	.45
1946	.70
1948	1.00
1953	1.29
1955	1.44
1957	1.59
1960	1.74
1962	1.75
1964	2.03
1967	2.48
1970	3.85

* Estimate from Informant 12.

SOURCE: I.B.P.S.P.M.W.

Figure 3

COMPARISON OF WAGES IN CHANDLER
AND OTHER QUEBEC MILLS

Year	Chandler Mill (wage/hour)	Quebec (wage/hour)
1937	.375*	.43
1948	1.00	1.00
1953	1.29	1.41
1955	1.44	1.53
1957	1.59	1.73
1960	1.74	1.93
1962	1.75	2.03
1964	2:03	2.03

* Estimate from Informant 12

SOURCE: I.B.P.S.P.M.W.

\$200,000 and we had to give them relief."¹⁹ It is true that Gaspesia's profit record during the 1950's was poor. However, whatever the explanation, the fact remains that Chandler workers were getting paid less to do the same job as workers in other mills in the rest of Quebec and Canada.

It was not until 1963 that the union won wage parity. Union official, Aurele Ferlotte wrote

The company had previously committed themselves to bring their rates in line with the industry within three years from the start up of the newsprint machine. You will note that we were successful in having these rates brought in line with the rest of the newsprint industry within sixteen months of the start up date.²⁰

This policy was further cemented by an agreement "effective May 1, 1966. Any increase which will have been negotiated at the C.I.P. will automatically be applied to Gaspesia Pulp and Paper."²¹

Social Relations

The social separation between workers and management that has been described in Chapter 8 was also characteristic of this period. Occasionally, class tension surfaced, especially during the time of a general manager named Rossini (1967-69). He made himself unpopular by laying off many workers during the

¹⁹Downie, p. 68. ²⁰Ferlotte to Burke.

²¹I.B.P.S.P.M.W. files.

construction of the second paper machine in 1968. One man who had been responsible for checking to see that a pipe to the wharf did not freeze during the winter was fired by Rossini. The pipe froze. Another individual whom Rossini laid off took to drinking and threatening Rossini. He telephoned Rossini every hour with statements such as "You'll get the same thing as Kennedy got [meaning assassination]." ²²

Upward social mobility in the company continued to be limited, education being the big roadblock to advancement. No local schools went beyond Grade 8 until after World War II. Of course, few workers could afford to send their children away to school. There were severe economic pressures for young men to quit school early and go to work in the mill. In the late 1930's and early 1940's, most workers only had a Grade 4 or 5 education. ²³ Even as late as 1947, few workers had completed more than Grade 7. In recent years, most workers have had a Grade 10 education and many younger workers have come onto the job having completed high school. However, increased education has not meant increased mobility because the company has begun requiring a college education for most management positions. ²⁴

Informants report a common pattern of workers'

²² Informant 12; Informant 2. ²³ Informant 7.

²⁴ Informant 2.

staying on the same job for their entire working lives; only a few advance beyond the level of foreman. In the woodroom, for example, "the men just stayed and stayed on the same job."²⁵ "Just the odd working man moved up."²⁶ "I never knowed of any that moved up."²⁷

Between 1937 and 1953, the management was exclusively English-speaking, with no French-Canadians above the level of foreman. Beginning in 1953, a few bilingual French-Canadians were promoted into lower management positions, but as recently as 1961, there were still only a few above the level of foreman; not until 1970, did the representation of French-Canadians in management positions increase. Those who did achieve such status, however, were all bilingual French-Canadians; management was still closed to 50% of the unilingual French-Canadians.²⁸

Conclusion

Three historical barriers to upward mobility in Chandler have been class, language and lack of education, which have prevented the vast majority of workers from rising to management levels. Unilingual French-Canadians have been virtually excluded from key manage-

²⁵ Informant 13; Informant 12; Informant 10; Informant 2.

²⁶ Informant 13. ²⁷ Informant 8.

²⁸ Informant 2; Informant 1

ment positions. Although wages and working conditions have steadily improved since 1937, social relations also continued to be characterized by class separation.

CHAPTER II

THE UNION

Introduction

The trade union in Chandler has been a significant force in creating solidarity among the workers and in pressuring the company to increase wages, improve working conditions, and expand fringe benefits. Company-union relations have been peaceful, with only one strike and very few breakdowns in negotiations.

Catholic Union

When the mill re-opened in 1937, all workers wanted a union. They sent a representative to Quebec City where the Confederation of Catholic Workers of Canada (C.T.C.C.) had its headquarters. The Catholic union dispatched an experienced organizer from Lac St. Jean to Chandler. Municipal officials welcomed the union; in fact, the first meeting took place in the City Hall during July, 1937. The City Hall was packed with workers who saw the union as a force that could improve working conditions. Workers sensed the power of organized solidarity. They saw that "as a team, you can move mountains. You have to work for your bread and butter,

but you can't get down on your knees."¹

Close to 100% of the workers signed up for the union at the first meeting. Local officers were elected; the officers went to the company seeking recognition, but E.M. Little, the general manager, absolutely refused to recognize the union. He told union officials that Gaspesia Pulp sold to markets in the United States and England and that it would therefore be more appropriate to have an international union. Little claimed, furthermore, that international unions in the States would refuse to load pulp from a mill where there was a Catholic union. In that event, the Chandler mill would close down and the men would be thrown out of work. He told the union leaders to think of their wives and families.² The fact was that the management of Gaspesia Pulp felt more comfortable with the American-based A.F. of L. union. The Catholic union represented an unknown quantity. The trend throughout the pulp and paper industry was towards recognition of unions, so the question for management was which union to recognize.³

Chandler workers had selected the Catholic union to represent them, but Little chose not to recognize it. Little may have been sincerely concerned about the possibility of jurisdictional struggle between Catholic and American unions. Although his reasons for not

¹ Informant 4. ² Ibid. ³ Downie, pp. 27-32.

recognizing the Catholic union were rational and undoubtedly rooted in a decision based on the self-interest of the company (and probably also based on his perception of what was in the workers' self-interest), Little's style of dealing with the workers was questionable. Workers resented being told what union they could belong to. Little's remarks about the possibility of international unions "refusing to load pulp from a mill with a Catholic union" represented a scare tactic. Many Quebec pulp companies (especially in the Saguenay Valley) had contracts with C.T.C.C. unions. No record exists of an American union refusing to load pulp from a mill represented by the C.T.C.C. It is certain that C.T.C.C. union organizers from the Saguenay Valley informed the workers at Chandler of this situation; Little's credibility must have decreased as a result.⁴

Little's refusal to recognize the union or negotiate a contract was a death blow to the C.T.C.C. in Chandler. As the years went by and the union was unable to gain recognition, its credibility among the workers eroded. Symbolic of the union's weakness was the abortive attempt in 1938 of a union leader to organize

⁴ Informant 4; William E. Greening, Paper Makers in Canada: A History of the Paper Makers Union in Canada (Cornwall, Ontario: International Brotherhood of Paper Makers, 1952), pp. 20-63. In fact heated jurisdictional disputes broke out between Catholic and American unions in 1943 and 1944 especially in the Lake St. John region. See also Downie, pp. 48-60.

a strike over the issue of working on Sunday.⁵ Workers, sensing that the union had no power or clout, began to feel very unprotected. Worst of all, the union appeared to have no money. One incident dramatized the union's impotence: The Quebec chairman of the C.T.C.C. drove a union automobile which developed engine trouble to the extent of a \$500 repair bill. C.T.C.C. officials asked each local to raffle a radio to pay for the repairs; all of the locals except Chandler joined the raffle; it refused to participate, citing the fact that workers had been unemployed for seven years and were not about to spend any of their wages on a raffle to pay for fixing the car of the head of a union that had not even been able to get recognition from Gaspesia Pulp.

In fact, when Chandler workers heard about the raffle, they wanted to send a telegram immediately to Quebec City announcing their dis-affiliation with the C.T.C.C. Union officers were able to persuade the men to hold back on dis-affiliation, but just the same, the raffle incident seemed to destroy the C.T.C.C.'s credibility in the Chandler workers' eyes. They figured that if C.T.C.C. could not afford to fix its car, they, as union members were not very well protected.⁶

The local Catholic Church was not involved in the organization or work of the union. When local union

⁵ Informant 4. ⁶ Ibid.

leaders sought the priest's advice on disaffiliation with C.T.C.C. he told them that if they were dissatisfied with the Catholic union, they ought to throw it out.⁷ Finally, in 1942 the men voted to disaffiliate with the C.T.C.C. and join the International Brotherhood of Pulp, Sulphite and Paper Mill Workers. Although there was a spirited debate at the meeting where the decision was made, few workers actually voted to stay with the Catholic union. When the Chandler local notified C.T.C.C. headquarters of their decision, C.T.C.C. officials demanded that its books be returned to the Quebec City C.T.C.C. office. The Chandler local refused on the grounds that the books belonged to the Chandler workers, not to the C.T.C.C.⁸ The five-year relationship between Chandler workers and the C.T.C.C. was never very close and ended on a note of bitterness.

International Union

International organizers from Fort Edwards, New York arrived in Chandler in February, 1943. By April 8, 1943, the union had received company recognition and had signed its first contract. The contract provided union recognition, setting up a union shop in which employment preference was granted to union members, while all non-members were required to join the union.

⁷ibid. ⁸ibid.

within 30 days of employment. Hourly wage increases of 5¢ to 8¢ were granted, bringing the hourly base rate for common labor up to 45¢. Most workers were put on a 48 hour work week; the work week in the yard was reduced to 54 hours. Time and a half pay for overtime work was similarly established.⁹

Union-company relationships were generally peaceful during the first decade of the international union, although workers felt that the union was not very aggressive. "In those days, people were uneasy. Everyone was trying to get work. The company got their way most of the time. I remember seeing in the union books something that said 'the company will have the last word [implying that the company had veto power over union actions]'.¹⁰

1947 Strike Vote

Wages were usually the big stumbling block in negotiations. In 1947, the union and the company locked horns over wage and job classification issues. As the union prepared to take a strike vote, a company official asked a union leader what he thought the outcome of the vote would be. "I told him that the vote would be about 92% for the strike. 'Go away,' he said. 'Johnny Wing (general manager) says it will be less than 50%.' The

⁹ Informant 7; Canada, Department of Labour, Economic Research Branch, Labour Gazette, vol. 43 (1943): 1251.

¹⁰ Informant 12.

vote was 97.9% for a strike. The men didn't want to strike, but they were determined to stand up to the company and show them that they could stand together. The strike vote was a stick that was held over the company's head. The 97.9% vote was enough of a threat to make the company come around and meet the union demands."¹¹

The 1947 strike vote was one of the few times during its early years that the union stood up to the company. During Gordon Brown's¹² presidency (in the 1950's) the union became even stronger and more assertive. A worker described Brown: "He was a real fighter."¹³ Under his leadership, the union took an interest in bringing Gaspesia wages into line with the rest of the industry. Brown wrote to the Research and Education Department of the international union requesting labor agreements signed by other pulp and paper companies. "I would also like to have the annual report of Anglo-Newfoundland Development Corporation and its subsidiary, Gaspesia Sulphite Company."¹⁴

¹¹ Informant 4.

¹² The author discovered some resentment against an English union president, but there was no evidence that the international union dictated or even suggested that the president be English-Canadian.

¹³ Informant 12.

¹⁴ Gordon Brown to Research Department, January 20, 1952. I.B.P.S.P.M.W. files.

Although contract negotiations broke down several times between 1943 and 1970, there were no strikes. This was typical of the industry as a whole, which benefited from the pattern of the prevalent multi-employer negotiations. The pulp and paper industry was divided into four regional groups. Major issues were settled by negotiations between representatives of the international union and the major companies of each region. Gaspesia Pulp belonged to the Eastern Canada Newsprint Group which also included Anglo-Canadian Pulp and Paper Mill, St. Lawrence Paper Mills, Lake St. John Power and Paper, and James McLoren. Negotiations typically involved a series of continental compromises between employers and unions.¹⁵

1953 Arbitration

Negotiations did break down in Chandler in 1947 (see above), 1953 and 1966. In 1953, contract talks collapsed and the dispute went to provincial arbiters. The union complained because the company withdrew from the group negotiations to avoid a commitment to the industry-wide trend to a 40 hour work week. Union demands included not only the 40 hour work week, but also shift differentials, increased vacation time, no Sunday work, floating holidays, and increased paid sick leave.

The decision and award stated:

¹⁵Downie, pp. 42-43.

It is quite clear that the Union has for years successfully conducted 'group collective bargaining' with the various larger companies in the pulp and paper industry. The company brief and uncontradicted evidence quite definitely establish that the Company for the reasons given (reduced prices and volume of production and sales, remoteness from markets, Scandanavian dumping, operating losses, small mill capacity) cannot be justly and fairly compared to C.I.P., St. Lawrence Corp., McLaren Co., Ltd., Consolidated Paper and Price Brothers that are acknowledged leaders in their field with great natural and financial resources and newsprint as the backbone of their production. . . Demands made upon this company are those which were presented to the leading companies in the paper industry. . . (and) the company cannot indefinitely remain apart or aloof from these modified working conditions.¹⁶

Nevertheless, the Board ruled against the union.

It acknowledged the right of the Company, because of its weak economic position, to withdraw from the group negotiations. The Board mandated a reduction of the work week from 48 to 44 hours commencing January 1, 1954. Gaspesia Sulphite was instructed to prepare for the eventual implementation of the forty hour week. Other highlights of the decision included:

1. Refusal of the key union demand for shift differentials
2. Refusal of a union demand for a floating holiday
3. Compromise on increased vacation time
4. Acceptance of a union demand for the abolition

¹⁶ Quebec, Department of Labor Relations, Arbitration Board, "Decision and Award: Gaspesia Sulphite and Local 455 I.B.P.S.P.M.W.," June 27, 1953, I.B.P.S.P.M.W. files.

of Sunday work

5. Acceptance of a union demand for six days a year of paid sick leave.¹⁷

A minority report was filed by the Employer Arbitrator. The language and content of that report clearly revealed paternalistic and anti-labor feelings that were quite common among Quebec employers in the 1950's. A section of that report reads:

As concerns the position of the employees, we have not in the evidence or anywhere else the proof that their cost of living has been increased.

We believe that the moment is ill chosen for asking raises in the form of fifty-two paid week-end holidays, higher shift differentials, longer paid vacations, paid floating holidays and more generous sickness allocations.

The sympathy that we feel for the workers, whom we have learned to like through living amongst them all of our life, does not prevent us from realizing that they have already derived benefits from the prosperity of their industry and we sincerely think that they would help themselves by aiding it while it is now passing through critical circumstances, so as to allow it to continue its operations and to survive. In this industrial country of ours labour has to be given encouragement and some share in the success of our trade and commerce. But it would be an exaggeration of our social sense to believe only for the growth of our production, in higher pay with less work. Let us not and let not the Union forget that it is still a mistake, as it was some thousand years ago, to kill the hen that lays eggs, even if these are not of pure gold like the ones described by the fabulist.

There remains the feeling which exists in some quarters, that some crumb of comfort should be granted to the losing party. We, of the legal profession, do not know much about this kind of diplomacy. We are used to believe in crude justice rather than in courtesy and we respect the judges even when they reject our demands in toto.

¹⁷ ibid.

My decision, therefore, is that all of the requests of Employees who are a party to the present dispute should be rejected, and I have the honour to submit to you, Mr. the Minister, a recommendation to this effect.

Montreal, June 27th, 1953.
 (Signed) Auguste Desilets 18
 Employer Arbitrator.

1966 Strike Vote

On April 22, 1966, workers threatened by a Gaspesia Pulp and Paper decision to reduce production that fall, voted 434 to 10 to strike May 8 and back up union contract demands. The company had refused to accept a job security clause that would protect workers during the impending slow down.

Une certaine de travailleurs et leur familles seraient jetés sur le pavé. Nous trouvons cette décision particulièrement odieuse dans ce pays sous-développé déjà affligé d'un des plus hauts taux de chômage de la province.¹⁹

Contracting out and automation protection clauses that had been accepted by the rest of the industry were refused by Gaspesia. Chandler workers also sought wage parity with workers at Price-Newfoundland.

Responding to a request by Quebec's chief conciliator, Noël Berubé, the union postponed its strike for forty-eight hours. Intensive, around-the-clock negotiations took place in Quebec City. L.H. Lorrain, the

¹⁸ Ibid.

¹⁹ Press release, April 23, 1966, I.B.P.S.P.M.W. files:

Canadian director and First Vice President of the International Union participated in the crisis negotiations. Finally, on May 10, 1966, the company capitulated, an agreement was announced and the strike was called off. Gaspesia agreed that:

1. No employee with more than 10 years service would be laid off due to the closure of the pulp machine. Workers with less than 10 years seniority were to receive severance pay amounting to 3% of gross earnings.
2. Workers were to be protected against contracting out and automation.
3. Chandler workers would receive wage parity with Price-Newfoundland employees.²⁰

Although the vast majority of Chandler workers belonged to the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers, there were two other unions at the mill. The papermakers who began work with the opening of the first paper machine in December, 1963 brought their own union (the International Brotherhood of Paper Makers) with them.

Office Workers Union

Office workers organized a union in 1964. It took six months for membership cards to arrive from the international headquarters and 48 hours to organize

²⁰ Press release, May 11, 1966, I.B.P.S.P.M.W. files

the union. The general manager, E.P. Walsh, told the office workers that he would prefer to deal first with a company union or second with an international union. He recognized the union immediately and a contract was signed within a matter of weeks.

During the first eight years of the office workers union, wages went up 50 to 60%. The biggest increases came in the first year and a half. Total wage increases in the eleven years before the first union contract amounted to about 20%.²¹

In April of 1964, the fifty stevedores who loaded pulp onto ships organized a union. Before organizing, stevedores received only \$1.20 per hour. The union contract provided an immediate raise to \$1.80 an hour and a rate of \$2.17 effective May 1, 1965. The union was able to secure wage increases of more than 80% within a year.²²

The Strike

On August 25, 1970, the three unions at the Chandler mill began the first strike in the town's history.²³ The three unions negotiated together for the first time and they struck together. The main stated issues were:

²¹ Informant 2. ²² I.B.P.S.P.M.W. files

²³ Narrative of strike is based on accounts of Informant 2; Informant 12; Informant 16; and material in I.B.P.S.P.M.W. files.

1. Wages

The company proposed an average 87¢ hourly increase over a three year period. The union demanded a \$1 per hour raise over two years.

2. Excessive heat and poor ventilation in the Paper machine room.

Gaspesia had spent \$30,000 for improved ventilation and had budgeted an additional \$40,000 for improvements in 1971. The room continued to be unbearably warm and papermakers wanted the company to speed up their timetable on improvements.

3. Seniority.

A papermaker was denied promotion to the position of machine tender although he had the necessary seniority. However, he was illiterate and the company promoted a man with more education and less seniority.

Hidden issues played an important role in creating the anger among the workers that led to the strike. There was some feeling that the international union was using Chandler as a test case for the upcoming round of negotiations in the industries. The general North American business recession resulted in a slowdown in the pulp and paper industry and the probability of large scale shutdowns and layoffs. The international was interested in adopting a tough attitude to demonstrate to employers that it was not going to be pushed around

and would protect its members from consequences of the recession.

Personalities also played a role in the strike. An international union official who had negotiated a contract with Gaspesia in the 1960's reacted strongly to what he considered the paternalism of E.A. Walsh, Gaspesia General Manager. Apparently, this union official vowed that one day he would return to Chandler and put Gaspesia Pulp on strike. The memory of John Rossini, the previous general manager, lingered on in Chandler. Rossini was particularly unpopular for having laid off many long-term employees and for refusing to allow working class children to trick-or-treat on the Plateau. Informants claim that many sulphite workers were still angry at the company because of Rossini's conduct and attitude. That anger made it easier for the workers to vote to strike and created a climate where confrontation was more likely.

Papermakers voted 98% to go on strike; sulphite workers voted 89% to strike. The strike created the greatest class animosity that Chandler had ever witnessed. Tension increased. One morning the president of the union initiated an illegal pressure tactic: he blocked the road to the power plant. Union pickets refused to let engineers go to work. Minor confrontations broke out between striking union members and

engineers who were not pleased with the roadblock. "Some of the boys were rowdy."²⁴ The union president (a man named Dugal) reassured some of the strikers who were concerned about being arrested, "We'll do it so long and then stop before the law comes."²⁵ General Manager Bruce Little filed a complaint against the union members for blocking the road to the power plant. The strikers, however, did not return to the road the next morning. The roadblock had been designed as a pressure tactic and it succeeded in speeding up the negotiations and convincing the company that the union was serious and determined.

Tension increased as the strike dragged on. The pangs of hunger began to eat away at the strikers' solidarity and patience. A group of workers stopped Mrs. Little's car on her way to the store and verbally assaulted her for several minutes. Although she was not hurt, "She got an awful fright."²⁶ Dr. Daignault was a member of Chandler's traditional elite and his family had been tied in closely with the pulp companies in Chandler for years. His son received a threatening letter warning him to get out of town or else.

Thirty-two dollars a week strike benefits were hardly sufficient for workers to support their families. Sulphite workers began to wonder why they were on strike.

²⁴ Informant 12. ²⁵ Ibid. ²⁶ Ibid.

The unity between sulphite workers and papermakers crumbled. In fact, the skilled and unskilled workers turned against each other. Hostility between papermakers and sulphite workers was rooted in social, economic and cultural differences. Papermakers had little training or education and yet received very high wages. They had been brought in by the company from outside Chandler; many papermakers held elitist attitudes, acting as if they were superior to Chandler natives.

Enmity between sulphite workers and papermakers was evident in Chandler's taverns. A common refrain in taverns frequented by sulphite workers was "Let a papermaker walk in here and I'll bash his head in."²⁷ The situation deteriorated even further when the sulphite workers settled with the company and the papermakers were still negotiating. Four or five days after the sulphite workers settled, they were ready to cross the papermakers' picket lines. Finally, two days later, the papermakers settled and intra-class violence was avoided.

Chandler's business elite played a neutral role during the strike, merchants refusing to take sides. They extended credit to striking workers, which was a sensible way of cooling down the situation and avoiding the creation of hatred. The settlement between the unions and the company was, of course, a compromise.

²⁷ Informant 16.

The wage increase was closer to the company's proposal than to the union's. The papermakers gained an extra floating holiday and the sulphite workers lost a floating holiday that had been included in the original company proposal. The union secured a commitment to speed up the ventilation of the paper room. The seniority issue was resolved in favor of the union.

Workers were generally unhappy with the agreement. The contract was ratified because the strike issues became less clear as the strike wore on and economic pressures hurt families. There was considerable feeling that the strike was a mistake and that the leaders had misinformed the membership about the issues. In fact, the president of the Sulphite Workers' union resigned shortly after the strike and the president of the papermakers' union was defeated in the next election.

Conclusion

The strike represents a sign of maturity in the development of the union. In the 1940's and early 1950's, the company was able to push the union around without much fear of retaliation. Workers demonstrated in 1970 that they would strike and could sustain a strike for two months. The strike served notice on the company that the workers were capable of fighting back and were not to be taken lightly.

PART FIVE

SOCIOLOGICAL DESCRIPTION OF CHANDLER, 1971

This section details life in Chandler as the author found it in 1971. Chapter 12 provides a brief description of the Gaspesian economy which clarifies the regional context in which the Chandler pulp mill operates. Chapter 13 gives some background on the actors in the drama: workers, managers, local businessmen. Chapter 14 examines relationships among Chandler's major social groups.

This study focuses on the impact of industrialization on social class structure in Chandler. The question of the impact of industrialization on family size is not considered as accurate data is not available. Informants indicated that industrialization has tended to reduce family size although not drastically.

CHAPTER 12

DESCRIPTION OF CHANDLER, 1971

Introduction

The Chandler pulp and paper mill exists within the economic and sociological context of the Gaspesian experience of bitter poverty. Traditional occupations are no longer viable and little industry has developed in the area. Problems have been accentuated by the curious regional patterns of organization in which industrial, political and service centers are in separate locations. Within Chandler itself, Gaspesia Pulp remains the only large employer. Six distinct neighborhoods reflect class and occupational differences which have continued to divide the community.

The Gaspesian economy: poverty

Although fishing has been the primary Gaspesian means of livelihood for hundreds of years, recent technological developments have replaced men with machines. Independent fishermen stood a chance of earning a reasonable living until a group of large companies (many based in British Columbia and the Maritimes) moved into the area with their huge fishing boats utilizing expensive, modern radar and sonic equipment.

These companies often bring their own non-Gaspesian fishing crews with them; in any case, the new method of fishing is capital-intensive rather than labor-intensive, with the consequent reduction in employment. Independent Gaspesian fishermen are unable to compete; the large companies employ methods that involve sweeping an entire area of the coast with huge nets that catch not only the codfish but also the smaller fish that independent fishermen had relied on for bait. The big companies clean out an area and then move on, leaving local fishermen with nothing to catch.¹

Even before the recent onslaught of the modern companies, independent fishermen had trouble making ends meet. The average hourly wage in the fishing industry stood at a mere 85¢ in 1963. Because of the severe winters, fishermen can only work a maximum of eight months a year, making the average annual salary for Gaspesian fishermen a low \$1,352 for 1963.²

Unfortunately, large-scale industry has been slow to develop in the Gaspé. In fact, only three large

¹ Independent fishermen have reacted with an anger that burst into violence during the summer of 1970 when a group of Gaspesian fishermen fired shots at a British Columbia trawler. However, none of the protests has had much effect on the big companies which continue their tactics of "fishing out" everything in sight. Informant 20.

² Canada, Ministère des forêts, Bureau d'aménagement de l'est du Québec, *Empêche* (1966), p. 118 (hereafter cited as B.A.E.Q.).

industries operated in the region in 1971: pulp and paper mills in Chandler and New Richmond and a copper mine in Murdochville. The vast majority of the economy has been organized into very small production units. In 1961, of 561 manufacturing establishments in the region, 170 did an annual business of less than \$10,000; 366 less than \$25,000; and 450 (or 80% of the total) less than \$50,000. Four hundred fifty-one firms employed less than 15 people; 282 employed less than 5.³

The decline of the basic fishing industry combined with the absence of industrial development have caused widespread poverty that has been reflected in low wages, underemployment, and a high level of unemployment.

In 1963, for instance, the average salary in the region was just \$1.22 per hour; the mean annual industrial salary was \$2,797 (compared with a Quebec mean of \$3,933). The 1961 per capita income for the Gaspé was \$716 (compared to Quebec's figure of \$1,383). The severely underemployed Gaspesian worked an average of 33 weeks a year compared to 40 weeks for the Quebec worker. Of 83,000 workers in the region, 8,000 pursued their principal occupations outside the region. Thirty-one percent of the total regional income was provided by government welfare or unemployment payments. The unemployment rate for the region has remained stubbornly

³B.A.E.Q., Industrie (1966), pp. 10-11

near the 30% level since the end of World War II.⁴

These figures give some indication of the bitter poverty which characterizes the economic realities of the Gaspé.

Regional and Local Organizations

Although Chandler is one of three industrial centers in the region, it is not a political or administrative center. The Gaspé Peninsula exhibits the curious phenomenon of different towns serving as different types of centers. The town of Gaspé, for example, is the regional service, administrative, and educational center. Gaspé is the home of the area's only community college, the administrative offices of the department of social services, the region's main hospital, the regional hierarchy of the Catholic Church, and the headquarters of the Quebec Provincial Police and the Royal Canadian Mounted Police.

Percé is the center of the Gaspé's judicial system: here all legal proceedings take place. Bonaventure (about 50 miles southwest of Chandler) is the seat of the county government. Chandler, because of its variety of retail stores, serves as a commercial center for the

⁴Unfortunately, these are the most recent figures available. There is no evidence that the situation improved at all between 1963 and 1971. B.A.E.Q., *Industrie*, pp. 15, 54-56; B.A.E.Q., *En pêche*, p. 118; Edward Smith, "Planning for People: the Gaspé Project," in *Social and Cultural Change in Canada*, 2 vols., ed. William E. Mann (Vancouver: Copp Clark Publishing Co., 1970), 1: 170-71.

surrounding area. Chandler provides 16,800 people with 50% of their goods and services; 24,500 people depend on Chandler for 25% of their goods and services.⁵

In Chandler, one finds a small hospital, a Catholic Church, separate English and French-Catholic schools up to Grade 12, a post office, a liquor board, and local welfare and unemployment offices. The city's commercial activities include a bakery, a printing company, a bottling factory, a manufacturer of bricks and concrete, a dry cleaning establishment, a welder's, a workshop for the repair of automobile radiators, five construction contractors, four construction materials contractors, a transportation company, twelve owners of taxicabs, five banks, three recreational establishments, fifteen restaurants, four hotels, and sixteen hairdressers. There are twelve professionals working in Chandler, including doctors, lawyers and one of the two dentists within a 100 mile radius.⁶ Despite its several small commercial establishments, Chandler is essentially "une ville monoindustrielle."⁷ The Gaspesia Pulp Plant includes several buildings, as seen in the diagram of building layout. (Figure 1). As Figure 2 demonstrates,

⁵ Author's observation; Informant 10.

⁶ Author's observation; Chandler, Album souvenir.

⁷ Chandler, Plan d'aménagement de la ville (1965), (hereafter cited as Chandler, Plan.)

Figure 2

MAJOR EMPLOYERS IN CHANDLER, 1969

Employer	Number of full time employees	% of work force	Average annual wage
1. Gaspesia	600	54.5	\$7,467
2. Hospital	150	11.3	5,500
3. Retail Stores	150	11.3	3,000
4. School Commission	105	9.5	7,000
5. Garages	50	5.4	4,700
6. Municipal government	24	2.2	4,830
7. Small industries	20	1.8	4,700

SOURCE: Chandler, "General Information, 1969"

Gaspesia is by far the largest employer in Chandler. Wages are higher at the pulp and paper mill than anywhere else in town.

Population

In 1969 Chandler had a population of 3,565; of these, between 75% and 85% are French-Canadians. Most of the English-speaking residents are of Irish-Catholic descent. Thus an estimated 95% of the people in Chandler are Roman Catholics. Furthermore, Chandler has long had a high birth rate. The rate of fecundity for Chandler in 1961 was 1,117/1,000. This compares to a Quebec fecundity rate of 750/1,000. However, the 1,117/1,000 figure represents a decline from 1956, when the fecundity rate stood at 1,289/1,000.

According to 1961 statistics, 44.2% of the people were between the ages of 0-14, with 51.2% falling between the ages of 15 and 64. A further breakdown of these figures reveals that 54.4% of the population was under twenty years old and 72.3% was under 35.⁸

Another characteristic of Chandler's population is its high rate of emigration; people are leaving the town in droves. In 1956 (the last year for which statistics are available), 10.2% of the population left Chandler, 60% of those between the ages of 10 and 29. Most of the emigrants were males between the ages of 15 and 19. As

⁸ ibid.

one study puts it, "la situation économique est presque toujours la cause directe des migrations."⁹ There is very little to keep young people in Chandler, a small town in an isolated region of rural Quebec, with few jobs available. Many teenagers are bored by the small town social life and are attracted by the lure of the big city, Montreal. Migration to Montreal has been common from all areas of the Gaspé Peninsula for decades.

Sociology of Chandler Neighborhoods

Figure 3 indicates the location of Chandler's six major residential neighborhoods.

1. Petite Canada

This is the largest residential neighborhood in the town.¹⁰ At least 50% of the population lives here. The name "Petite Canada" signifies that this is a cross section of working class Canada. To be more precise, "Petite Canada" is a cross section of Quebec's working class. "Petite Quebec" would be a more accurate label, for almost all of the residents here are French-Canadian unskilled and semi-skilled workers. The houses were originally built and owned by the company. Today the workers own their own.

⁹ Ibid. Estimates of ethnic composition of the town from Informant 1; Informant 3; Informant 10; Carmen Roy.

¹⁰ Data for the section on neighborhoods is based on the accounts of Informant 16; Informant 10; Informant 3; and author's observation.

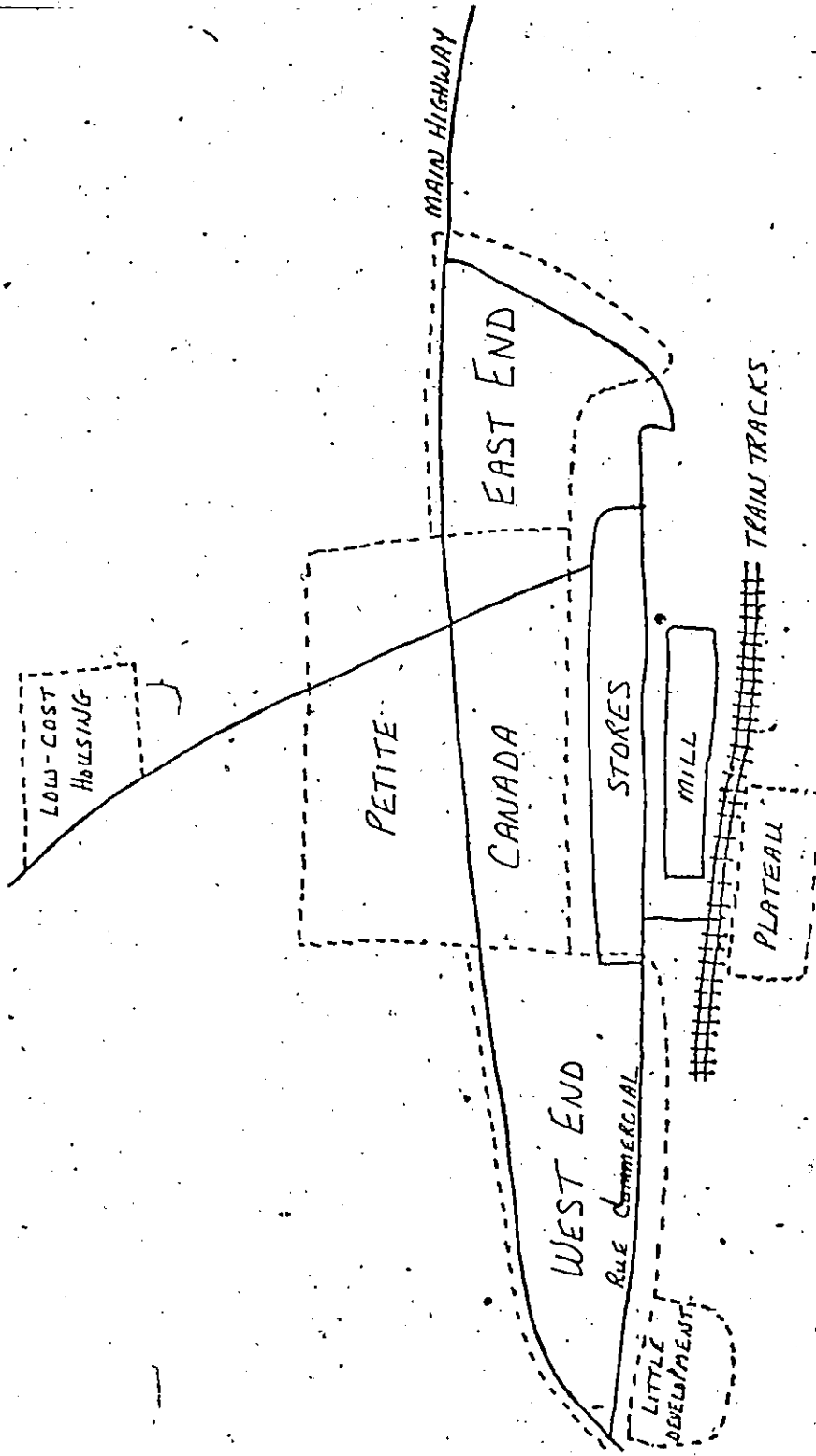


Figure 3. Location of Chandler's major residential neighborhoods
SOURCES: Informant 2; Canada, Department of Energy, Mines and Resources, map of Chandler; author's observations.

houses; almost all of them are wood-frame, two-story, single family dwellings of medium size (4-7 rooms). They have plumbing, hot and cold running water, electricity, and gas. The houses are built fairly close together, with small back yards. Although these houses are about fifty years old, most appear to be in good condition.

2. The West End

This is the second largest residential section, where English-speaking unskilled and semi-skilled workers live. They are mostly from Irish descended families which have been in the area for several generations. Some families have lived here for over 150 years. Nearly every family owns its own house. The houses are quite similar to those in "Petite Canada": old, medium-size, wood-frame single family dwellings in good condition with plumbing, hot and cold running water, electricity, and gas. Generally, these homes have more land and larger yards than homes in "Petite Canada."

3. The East End

This is a small residential area where French-Canadian members of Chandler's upper and middle class live. Families living here are representative of the older local elite and have been settled in the neighborhood since the 1930's or earlier. Merchants and pro-

professionals compose this group of established Chandler families; however, a few working class families also live here. The East End is another area of single family owner-occupied houses. The author did not have an opportunity to examine these houses closely, but they appear to be older, wood-frame, single dwelling structures, with modern conveniences, well built, and large.

4. The Plateau

This is the neighborhood where the company management lives. The company owns the houses and apartments located here. This is undoubtedly the highest status area in town; houses and apartments are large and luxurious. The Grand Pabos Recreation Club (golf course and curling club) is located on the Plateau. The Plateau is Chandler's one stronghold of English-speaking Protestants, who have their own small church.

5. The Little Development

This new, small residential neighborhood, houses French-Canadian skilled workers, the papermakers. Some company management personnel also live here. The houses are large, single unit, one story, rambling suburban luxury homes. The residents own their own homes, although the company helped them out with long-term, low-interest loans.

6. Government Housing Project

The Provincial government recently built apartments for welfare recipients. The buildings are large, three story, multi-unit structures which look like most public housing on the North American continent. The author was not able to obtain any information about the size of individual apartment units, but it is known that each apartment is furnished with new furniture, new washers and driers, and electric stoves. Most of the residents are former "colonists," citizens whom the government enticed to move to farms in the interior of the Peninsula during the depression. The farms were failures; in recent years the government has given up the colonies and has moved the colonists back into main towns.

Conclusion

Chandler occupies a special position as one of three industrial centers in the Gaspé. Gaspesia Pulp is the only large employer in town; workers at the pulp mill enjoy a higher standard of living than other Chandler citizens who work for the hospital, retail stores or the school commission. Chandler represents something of an island of prosperity in the midst of bleak Gaspesian poverty which has been compounded by declines in the fishing industry. Housing patterns are based on class and occupational differentials which

separate the town's residents. The geographic separations thus achieved reflect both economic and ethnic groupings characteristic of Chandler throughout the period studied.

CHAPTER 13

WORKERS, MANAGERS, AND BUSINESSMEN

Introduction

Most pulp and sulphite workers are long-time residents of the Chandler area. Their families have been living on the Gaspé for generations. Although working conditions are far from ideal, workers enjoy high wages, generous fringe benefits and the protection of a strong union. Recreational opportunities are surprisingly varied for a small town in an isolated area. Most workers are French-Canadians; there is little interaction between the French majority and the English-speaking minority. Papermakers and company management officials are viewed by the local sulphite workers as outsiders. Although there is some contact between company managers and local business and professional people, they remain distinct social groups.

Sulphite workers

A very large percentage of pulp and sulphite workers stay on the job a long time. A majority have been working in the mill at least ten years. A management official claimed that most workers on the production line worked steadily until retiring at the age of 65.

Although exact figures are not available, it is known that many workers have put in 20, 30, or more years of service. Papermakers are a more mobile group than pulp and sulphite workers; one finds a fairly high rate of turnover among papermakers.

One source estimated that pulp and sulphite workers have an average education of about Grade 8, and office workers and papermakers, grade 10. Most of the older sulphite workers have considerably less than a Grade 8 education. Almost all of the younger workers have finished high school.¹

Brief composite descriptions² of the careers of three Chandler workers will demonstrate the kinds of working lives most workers lead.

1. B _____ was born in 1923 in Caplan, on the Gaspé Coast. At the age of 14, he began working at Gaspesia Sulphite. He had only a Grade 3 education. After working two years in the yard as a laborer, B _____ has spent the rest of his working life in the woodroom. His jobs have included loading wood onto a magazine, loading bark into a barking drum, operating the chipper machine, and pulling out bad pieces of wood from the sorting table.

¹ Informant 2; Informant 1.

² Composite sketches are designed to protect the anonymity of informants.

2. In 1910 S _____ was born in Montreal. His father worked for the provincial government and the family moved to Chandler in 1923. S _____ had a Grade 8 education; he began working in the mill when he was 17 years old as a machinist in the woodroom. S _____'s work impressed his foreman, who arranged for S _____ to learn the art of sulphite cooking. S _____ worked at this job until he was appointed a supervisor in 1956, a position he still holds in 1971.
3. M _____ was born in 1925 in Chandler. His family has been in the Chandler area for four generations. M _____ completed Grade 5 and at the age of 22, began working as a general laborer in the mill. For the last fifteen years, M _____ has worked as a watchman, a job which involves checking each of twenty-five departments for fires, safety hazards, and irregularities. A watchman takes two tours of the twenty-five departments during an eight hour shift.

Types of Jobs

Approximately two-thirds of the 600 employees in the mill are so-called pulp and sulphite workers. They perform a variety of semi-skilled and unskilled tasks including general labor, machine operation, and forklift driving. There are about 100 office workers who are computer programmers and keypunchers, store clerks,

and secretaries. About seventy papermakers work on the high speed newsprint machines.³ Papermakers and pulp and sulphite workers put in an eight hour day and a five day week; office workers, a seven hour day and a five day week.

Working Conditions

The mill is not a very safe place to work. In fact, in 1970 Gaspesia Pulp ranked as one of the most dangerous newsprint mills in Canada. Its safety rating was twenty-second out of twenty-seven mills of similar capacity. This poor safety rating exists despite a concentrated safety effort that includes closed circuit television and other modern safety equipment. The woodroom is especially dangerous because of the high noise level; workers in the woodroom also have to be aware of the danger that they might get hit by wood if conveyer chains snap.⁴

There are some indications that working in the mill has adverse effects on health. The heat factor in the woodroom, especially the groundwood section, has caused some problems. Some men have fainted from the heat; many who work there are quite underweight as a result of working in the intense heat. Residents of Chandler have

³ Informant 2; Informant 11.

⁴ Pulp and Paper Magazine of Canada 70 (December 4, 1970): 168; Informant 2; author's observation.

what appeared to local workers as a high rate of heart trouble and there is a feeling in some quarters that the heat is responsible. The paper room is poorly ventilated. The gas in the blowpits can be dangerous to workers' health. Steam comes out of magazines in the woodroom and burns workers who are in contact with the steam for long periods of time.⁵

Wages

The average wage in 1969 was \$7,467. In 1971, the base rate for common labor was \$3.52 an hour; pulp and sulphite workers' wages ranged from \$3.52 to \$4.72 an hour. A company official estimated that most of the workers received about \$4.00 an hour. Some figures for specific occupations were \$3.56 per hour for blowpit men, \$3.83 for workers in the acid plant, and \$4.63 for sulphite cooks. Office workers' salaries range from a minimum of \$185 to a maximum of \$672 biweekly.⁶

⁵ Informant 2; Informant 12.

⁶ Women are paid less than men holding the same job classification as the following biweekly wage figures show:

Class	Women minimum	Men minimum	Women maximum	Men maximum
A	\$185	\$193	\$222	\$230
B	303	311	378	385
C	451	459	565	573

Women are not eligible for the highest paying classification, L, from \$530 to \$672 biweekly. The highest salary a woman office worker can earn is \$565 biweekly while a man can earn \$672.

Papermakers earn a maximum of \$7.12 an hour. The papermakers' union was clever enough to include a clause in their contract whereby the pay was related to the speed of the paper machines. Since the machines are getting faster all the time, the papermakers' wages are going up quickly. The company estimates fringe benefits (pension plan, sickness and health insurance, paid vacation, etc.) at 20% additional wages.⁷

Union.

Pulp and sulphite workers, papermakers and office workers each belong to different international unions. In this section, the term "union" will refer mainly to the International Brotherhood of Pulp, Sulphite and Paper Mill Workers, the most important of the Gaspesian unions. The union enjoys enthusiastic support on the part of Chandler workers. One worker remarked that the union was important "for sure" to working men.⁸ Another worker mentioned that the union was the main force in the men's working lives. Union members have strong positive feelings that the union is responsible for its members. The union protects workers against arbitrary injustices from the company. Union meetings allow members to air grievances; members frequently complain about day-to-day injustices on the job. A worker tells

⁷ I.B.P.S.P.M.W. files; Informant 1; Informant 2.

⁸ Informant 12.

about the time when he had a right to vacation time, but his name was not on the list. He went to the union, the union went to the company, and he received his vacation. "If we didn't have a union, they could tell you, work for this or that and if you didn't like it, that's too bad." As one man put it, the union is a stick that the workers hold over management's head, but hope never to use.⁹

The union is also a force which gives cohesiveness to the working class. It ties the workers together and gives them a sense of solidarity. This solidarity extends beyond the town of Chandler to encompass union members from other areas. The Chandler local has been active in supporting other unions during strikes in other cities.¹⁰ As one worker put it: "When there's a strike someplace else, unions generally help out one another. It's important to help out the other bunch."¹¹ Another function of the union is to differentiate workers from company officials. Most sources agreed that there was definitely a difference between a union man and a company man. According to one union member, it is the attitude of the rank and file members which makes the difference between an effective union and an ineffectual

⁹ Informant 13; Informant 12; Informant 7.

¹⁰ Informant 4; Informant 7.

¹¹ Informant 12.

one. "It's not the leaders that are important, it's the men behind them. . . .The leaders have got to have backing. If you only have four or five instead of fifty, it's a different thing."¹²

Every union member interviewed stated that raises in wages were not the major accomplishment of the union. Workers stressed gains of better working conditions and fringe benefits. One union member believed that the 40-hour work week was the union's biggest accomplishment. "It's terrible when all you do is eat and sleep and work. . . .A man that's shut up into a mill with no time off, that's no good."¹³ Other workers mentioned a good pension plan, paid vacations and working conditions as areas where the union has been and can be influential.¹⁴

There was some criticism of what at least one worker termed "favoritism" on the part of union leaders. He claimed that union officials were more likely to help out those who attended meetings regularly than those who did not. If the union president noticed that someone was "neglectful" about going to meetings, "he don't care much about helping him. . . .I asked him for help on something, and he didn't help me." This same man reported overhearing a conversation in the locker room

¹² Informant 13. ¹³ Informant 12.

¹⁴ Informant 13; Informant 12; Informant 7; Informant 2.

between two union leaders who agreed "Let's take care not to help those guys that don't come to union meetings."¹⁵

Another criticism of unions was based on the organizational structure of the international union. A former union leader remarked that the international union dues are spread out "too thin." From the monthly dues, \$1.35 goes to the international headquarters in the United States, \$.75 goes to the Eastern Canada regional office, \$.15 goes to the Quebec Federation of Labour; \$.10 is for the Gaspé regional counsel, and \$3.50 remains with the local.¹⁶ On the other hand, the C.N.T.U. (Confederation of National Trade Unions) dues are dispersed in only three directions: the central headquarters, the Gaspé district, and the local. The international has only three full-time staff members to cover the entire Eastern Canada Council, which encompasses Quebec, the Maritimes and Newfoundland. This means that union staff are only able to jump from crisis to crisis and are not around for day to day work. The C.N.T.U., however, has a full-time permanent representative with an office in Chandler. It is interesting to note that while the C.N.T.U. has a local representative, a secretary and a

¹⁵ Informant 12.

¹⁶ The Canadian Pulp and Sulphite Workers have recently voted for independence in a referendum sanctioned by the International. The Canadian union is now completely separate.

teletype machine, the international cannot afford an office or even a telephone. Another problem with the international structure is that there are no funds available for political action on a local level. The Gaspé district of the C.N.T.U. has an annual \$2,000 budget for political action compared to nothing for the international union.¹⁷

Despite some criticism, the union stands as a strong popular institution to which the workers have a deep commitment. The union is an organization which protects and defends the individual and collective rights of the Chandler workers.

Social life

Chandler offers a variety of recreational outlets for its residents. Workers can spend their leisure time at the hockey arena, bowling alley, golf and curling club, the movie theater, one of the local bars, the union-operated social club that features drinking and dancing, or at home watching television. Teenagers congregate at the arena, bowling alleys, movie theaters and on the streets in front of local restaurants and stores. Although some of the older residents point with pride to the diversity of leisure-time facilities available, many younger members of the community migrate to Montreal or Quebec City in search of a more exciting

¹⁷ Informant 2.

social life.¹⁸

Language/Ethnic Groups

Residents of Chandler differ in their assessment of the relationship between the French-Canadian majority and the English-Canadian minority. Two French-Canadian company executives insisted that there were no problems at all between the French and English. However, others talked about tension between the two language groups. One person stated that the situation in Chandler was the same as everywhere, i.e. bad feelings between the English and the French. An Irish Gaspesian spoke of tension that has existed in Chandler for many years:

The French and English aren't getting along good yet. There always has and always will be a grudge between the English, especially the Irish, and the French. . . the French want to be boss.¹⁹

Although the two language groups worship together in the same Catholic Church, there is a minimum of social interaction between French and English in Chandler. French and English children attend separate schools. Nearly all English in Chandler are bilingual; all English interviewed were bilingual. Fifty percent or more of the French-Canadians in Chandler do not speak any English.

¹⁸ Informant 12; Informant 2; Informant 6; Informant 4; author's observation.

¹⁹ Informant 8; Informant 13; Informant 10; Informant 1.

Gaspesia Pulp and Paper Company has persisted as an English establishment in a predominantly French community. French-Canadians must speak English to be promoted to management positions. In fact, although more than 50% of the workers speak only French, there is not one unilingual Frenchman above the level of foreman. Gaspesia Pulp's parent company, The Price Company, has a specific policy of promoting only bilingual French-Canadians. This policy was explained in the Price Company's brief to the Gendron Commission which was studying French as a working language in Quebec:

French is the dominant language of work in the Quebec operations of the Price Group of Companies. English is the language of business. For this reason a good working knowledge of English is required for all higher-ups in the company including engineers, accountants, administrators, economists, company lawyers, salesmen, chemists, geologists and labor advisors.²⁰

Oral communications and labor negotiations at the mill are conducted in French. Written communications are normally in English. There are some management areas which are traditionally reserved for English-speaking personnel. One worker bluntly remarked, "It's a known fact that you'll never see a Frenchman as head mechanic."²¹ Although French-Canadians do hold some management positions in the company, they are under-represented, especial-

²⁰ Montreal, Pulp and Paper Institute of Canada, Price Clippings.

²¹ Informant 12.

ly at the higher levels. The first level of management, the resident general manager, is an English-Canadian. The second level (mill manager, head of purchasing, treasurer, personnel and woods managers) includes three English and two French-Canadians. The third level (departmental superintendents) is composed of three English and six French. The breakdown for the fourth level (supervisors and engineers) is six English and twenty-one French. The fifth level (shop foremen) is made up of eight English and fifteen French.²² While it may appear at first glance that French-Canadians are represented fairly in the management, a closer look at the data reveals a significant pattern:

1. In upper management positions, there are seven English and eight French, although about 85% of the work force is French-Canadian.
2. The percentage of French-Canadian management personnel increases as you go down the scale from upper management to lower management.
3. At every level of management, the percentage of French-Canadians is less than their percentage in the total work force.
4. At least 50% of the work force (unilingual French-Canadians) are completely unrepresented anywhere in

²² Informant 1.

the management structure.²³

There is evidence that some French-Canadians resent the company's "Englishness." Some signs in the mill are printed only in English. Scrawled on several of these are the words "en française s.v.p." Although the Parti Québécois did not receive a large vote in Chandler²⁴ during the 1970 provincial election, there was considerable talk at the mill along French-Canadian nationalist and strongly anti-English lines.²⁵

The Upper Classes

Two distinct elite groups operate in Chandler: the local business/professional elite and the company management elite. Although there are some links between the two groups (intermarriage, social contacts, etc.), they are really quite separate and do not frequently interact with each other.²⁶

²³The author has been unable to learn whether unilingual French-Canadians have equivalent education and experience to bilingual French-Canadians or English-Canadians working at the mill. However, the point here is that the lack of ability to speak English automatically disqualifies a French-Canadian from being promoted into management.

²⁴Exact figures unavailable. Estimates from Informant 2; Informant 12.

²⁵Available evidence indicates that French-English relationships have become more tense in recent years. French nationalism was apparently stronger in 1971 than in the 1930's or 1950's. Informant 2; Informant 17

²⁶Informant 2; Informant 10.

Members of the company elite derive their status from the management positions they hold within the corporate structure. Since the Price Company uses the Chandler mill as a training ground for management personnel, there is a very high turnover in this group; most executives come from outside the Gaspé region and do not stay long in Chandler. Because of its isolation, the Chandler mill presents local executives with an opportunity to make more decisions locally than in mills located in large urban centers. A company official estimated that about 50% of those executives who leave Chandler are promoted to higher positions in the Price Company and about 50% leave for personal reasons (not being able to cope with the isolation, marriage difficulties, etc.)²⁷ The Plateau, where the company elite lives, seems to be a social world several steps removed from the rest of the town. About 60% of the Plateau is English-speaking. The executives have their own small Protestant Church. The world of the Plateau looks for its social ties to the outside business world rather than to the town of Chandler.²⁸

The local business/professional elite of Chandler presents a picture of a more tightly-knit ruling group. They are more conscious of their leadership role than the company executives, who are really outsiders in

²⁷ Informant 15.

²⁸ Informant 2; Informant 18.

Chandler. Most of the businessmen/professional group are long-time residents of the area; some elite families have been in the immediate region for well over 100 years. The town elite is basically French-Canadian.

Members of the elite are very comfortable in their positions as community leaders; as one informant expressed it, they sit back and take it easy. The town elite is shrewd enough not to become overtly involved in company affairs. However, during the 1970 strike at the mill, merchants did extend credit to strikers for food, clothes, and other provisions.²⁹

In the words of an informant, since the local elite possesses political power, nothing phases them. The elite has dominated civic politics since the formation of the town in 1916. Local residents leave most local political business to the city council; people vote, but that is as active a role as citizens take in the government. The elite also exercises political power on a provincial and federal level by means of connections with cabinet ministers and deputies in Quebec City and Ottawa. The provincial government grants public works contracts to members of the local elite in return for support at election time. One man asserted that local merchants control the vote through a manipulation of credit, i.e., cutting off credit to

²⁹ Informant 2.

those who do not vote "right." He alleged that controlling votes through credit was a common, open practice all over the Gaspé coast.³⁰ Electoral practices and the actions of députés in Québec City and Ottawa have made many Chandler residents cynical about politics. There is the assumption that all political parties and all politicians are corrupt. One person pointed out that none of the political parties has done much for the Gaspé area. In this view, the laws are made for the big cities and the Eastern and Western sections of Québec are neglected.³¹

The Chandler business elite is a group of men who are held together by common business, professional and class interests. Voluntary associations are one method through which various members of the elite keep in touch with each other. Foremost among the voluntary associations is the Knights of Columbus.³² The Knights

³⁰ Ibid.

³¹ Workers do not feel that they benefit from the government public housing project. In fact, the construction of the project has tended to reinforce images of alienation. Government housing is seen as a gift to those who are too lazy to work. Again, workers see their tax money going to help somebody else.

³² Although in most towns and cities, the Knights are not known as an elite association (in fact, they are often working-class), informants in Chandler have portrayed the local chapter of the Knights as the chief elite voluntary association. It is possible that the membership of a few prominent individuals in the Knights has led the informants to draw conclusions hastily. Of course, since the meetings of the Knights are secret, who knows?

are a semi-secret organization for mutual support and protection; the public is banned from their meetings. Members of the Knights are known to stick together as a close-knit group whose members help each other out. Workers refer to the Knights as "rich people." There are also local Lions and Optimists Clubs where members of Chandler's elite come into contact with each other.³³

Conclusion

At least four major social groups exist in Chandler. Pulp and sulphite workers have deep roots in the area and earn good wages in addition to enjoying extensive fringe benefits. Papermakers have moved to Chandler within the last decade; they are very highly paid, mobile and do not mingle a great deal with local sulphite workers. Company management officials occupy an elite social position as a result of their status within the company. Like the papermakers, they are outsiders. A local business and professional elite has dominated local politics for at least fifty years. This group has been in the area for generations; in fact, some business families can point to Gaspesian ancestors that pre-date many working class families. The local business elite cooperates with company officials, but their relationships are not very close.

³³ Informant 2; Informant 12.

CHAPTER 14

SOCIAL CLASS RELATIONSHIPS AND INTERACTIONS

Introduction

Social class divisions are important in Chandler. Workers and management officials live in very different social worlds from each other. The working class is divided between local sulphite workers and the newly settled papermakers. Upward social mobility, although somewhat improved over earlier years, is not a real possibility for most workers. Working class consciousness is apparent in several forms.

Social Relations

In Chandler there is very little social mingling between the working class and the upper class; workers and executives move in separate social universes. "Petite Canada" and the Plateau are separated by the mill, the railroad tracks, and unwritten social distances that cannot be measured. The different neighborhoods described in chapter 13 are, according to one informant, like "separate little cities" or ghettos.¹

The language employed by the workers talking about

¹ Informant 2.

management personnel is revealing. Most executives are from outside the region and in a small isolated town like Chandler, there is a very definite stigma attached to being an outsider. Several Chandler workers referred to executives as "strangers."² A "stranger" means someone from outside the Gaspé; thus the word is loaded with implications. Workers have very little contact with their bosses at work or socially. "Now and then we see them. . . . Every once in a while a boss man comes by, but he don't stay long." Recently, a new executive was brought in but "we haven't seen him yet on the night shift. Some say he came on the day shift."³ Workers refer to company executives as "key men" or "another group" or "another gang together."⁴ It seems the working class has made a conscious and deliberate choice to avoid interaction with the management. One worker explained, "If they take a man off a job and put him as foreman, it seems like the boys don't want to associate with him any more. . . . There's an odd one that'll hang around you, but most of the bosses keep to themselves."⁵

Social relations in Chandler are generally separate but peaceful. The workers feel that the upper class in Chandler is not particularly overbearing or arrogant. The elite is "not too frownful." They do not think of

² Informant 8; Informant 4.

³ Informant 12.

⁴ Informant 13; Informant 4.

⁵ Informant 12.

themselves as "too high." A worker who had grown up in Montreal and was stationed in England during the war compared class relations in the different places he has lived. "Some carry on like a high class, but it's not as bad as England or Montreal where the high class looks down on the low class." While admitting that there are deep class divisions in Chandler, this worker said "It's nothing to get excited about."⁶ One worker claimed that there was a latent resentment against Chandler's elite and that this resentment manifested itself during such crises as the 1970 strike.⁷ Workers were angry about a mill manager who had been around recently. His arrogant, elitist attitudes created resentment among workers, especially when he tried to prevent workers' children from "trick or treating" on the Plateau on Halloween.⁸

The greatest social tension in Chandler is the intra-class struggle between the skilled paperworkers and the unskilled or semi-skilled pulp and sulphite workers. Sulphite workers resent the fact that paper-makers are making so much money. "They're the ones that are making the money."⁹ An even greater reason for the

⁶ Informant 13; Informant 12; Informant 4; Informant 7.

⁷ The strike is discussed in Chapter 11.

⁸ Informant 2; Informant 12. ⁹ Informant 3.

sulphite workers' dislike of the papermakers is their attitude. "They think of themselves as a breed apart. We make the paper and without us, there's no mill."¹⁰ "They think they are sitting on top of the world. . . . Papermaking is a big job; but they learned it and other people can learn it."¹¹ (In fact, many Chandler residents are learning to become papermakers.)

Workers in Chandler have a great deal of pride and they react strongly to anyone who looks down on them. The papermakers are mostly outsiders; many are young, unmarried, "high strung." They have some money in their pockets and they spend it freely. Sulphite workers feel that the papermakers are a wild, irresponsible bunch. They don't show much respect for Chandler's local working class. The older workers who have worked and sweated hard all their lives for very little money are hurt to see a group of youngsters come in from the outside, get high-paying jobs at "their mill" and then spend money so freely. Another factor involved is that many of the local residents figure that the papermakers have been dumped in Chandler by the company because they were losers and could not make it in Quebec City.¹²

Working class bitterness is also directed towards welfare recipients in town. Workers resent what they

¹⁰ Informant 2. ¹¹ Informant 4.

¹² Informant 13; Informant 3; Informant 2.

regard as an over-generous treatment of non-workers by a government that they see as having done nothing to help working people. A worker in his 60's expressed deep anger about the situation: "I've worked an entire lifetime and they never worked one day, and they have more than me. I get so mad when I go around there."¹³ The wife of a worker sounded very sad when she spoke about the new electric stoves, automatic washers and driers that the government provided in the new apartments where welfare recipients lived. "My husband has worked hard all his life and we don't have these things."¹⁴ But the anger is directed more at the welfare recipients, as people than at the government, and it is apparent that resentments against an unfair situation have developed into attitudes of prejudice against people who are themselves victims. The negative attitudes most workers have toward welfare recipients are summed up by a stereotype of an indifferent, ungrateful, and lazy character. The workers seem to forget that the Chandler welfare recipients are mostly former colonists who might not be on welfare today if they had not been lured by the government during the depression into a poorly planned colonization project.¹⁵

Social Mobility

It is extremely difficult in Chandler for a working

¹³ Informant 3. ¹⁴ Informant 17. ¹⁵ Informant 6.

man to move up into the management. This is true despite an official company policy of bringing people up through the ranks instead of hiring outsiders to fill management positions. The number of positions is limited. There are 42 positions above the level of shop foreman (several of those are engineering positions) and over 600 workers. Only 15 positions could be considered upper-management (superintendent or higher). Although there is considerable management turnover, many of the openings are filled by outside men. When a Chandler resident gets promoted into management at all, he is likely to remain at the same level for many years (for example, one informant became a superintendent in 1944 and did not advance beyond that level before he retired in 1965.).

A management official claimed that: (1) there is a constant flux of management personnel; (2) positions are always open; (3) promotions are easy; (4) there is no discrimination against any language group; and (5) there is always an opening for someone who wants to work. In practice, several qualifications limit this rosy picture of the ease of upward economic and thus social mobility.

1. As we have seen, unilingual French-Canadians cannot move up.
2. Workers without education cannot move up, and most workers do not have much formal schooling.

The average grade among workers is Grade 10, although older workers have much less than that. The company has convinced workers that an education is required to perform managerial tasks, although in truth the most important requirement for a supervisor is to know the various jobs he is supervising. Of the possible rationalizations for excluding workers from management positions, education provides both the most convenient and the most effective.

It was next to impossible for older workers to have gotten an education. Until after World War II, Chandler had no schools beyond Grade 8 and of course no one could afford to go away to school. Young men were forced to quit school at an early age to help support their families. When the choice was between eating and studying, education became an unnecessary luxury. Few people who began working before World War II had an education beyond Grade 7 or 8, many having begun work at the age of 14 or younger. As one older resident put it, "We had to sacrifice good brains for a lack of money."¹⁶ Most workers have accepted their lack of education and consequent lack of upward mobility with a fatalistic resignation. "When you didn't take education,

¹⁶ Informant 4; Informant 15; Informant 1; Informant 2; Informant 12.

you can't choose your job."¹⁷ "It's very hard for someone without education. You've just got to stay behind and that's all."¹⁸ The only chance an uneducated man has of moving up is to become a company favorite; others have too much pride and dignity to "grease the foreman." "Those that are known to have no education and you see them going up, you can say there's something there. I never moved up yet, and I'm taking it all right."¹⁹

3. Promotions are highly personalized. The company does not seem to base its promotions on either merit or seniority, but rather on personal preference. When asked on what basis promotions were made, one worker answered, "That's a good question."²⁰ The general attitude among workers was that if the company liked a worker, he was taken care of.

The company states that 85% of the present management personnel are local residents who have worked their way up through the ranks. However, several upper management positions are still held by outsiders. The resident general manager is from Ontario. His father was president and chairman of the board of Anglo-Canadian Pulp Company. The groundwood superintendent and the mill manager are Price men from outside the area. Many engineers are outsiders. Only one local person has ever held the

¹⁷ Informant 13. ¹⁸ Informant 12. ¹⁹ Ibid.

²⁰ Informant 4.

position of general manager, and he was not exactly a typical case. This man's father worked for the government and was able to send him to school. He began working at the mill with an education and had a skilled job in the accounting office. So he "worked his way up" from a relatively high position to begin with.²¹ The company has done very little to train workers for management positions. They have sponsored some courses which are, in practice, inaccessible to workers. Workers must pay 50% of the course cost, leave Chandler and sacrifice their income for several weeks. Few if any can afford to take advantage of this opportunity. The company interprets the lack of response to their courses as a lack of interest and initiative on the part of the workers.²²

It is not entirely unknown for workers to move up. As one worker put it, "If you take care of your job and be honest, there's a chance of moving up."²³ Of the workers interviewed, three had indeed worked their way up through the ranks to the level of superintendent. However, it must be noted that all three had fathers who held positions of influence in the company or the town. The company has been known to promote a few union leaders into management positions. Company officials

²¹ Informant 15; Informant 10; Informant 7.

²² Informant 15. ²³ Informant 4.

deny that they are attempting to coopt union leaders or get leaders out of the way. A company executive explained that when they see someone acting as an effective leader with talent, they feel there is no reason he should not have an important job on the other side of the fence.²⁴ The best chance a worker has of advancing is to learn a trade at the mill, get his papers, and then find a job outside the mill as a tradesman. This usually involves leaving the area. The fact is that the vast majority of workers never advance. They stay at the same job year after year. There is in reality little upward mobility at the Chandler mill. Sub-foreman or foreman is about as high as most workers can ever hope to advance. This lack of opportunity creates some frustration. One worker remarked that if a man is not promoted on the basis of merit, he has no way of knowing if he is doing a good job.²⁵

Class Consciousness

Workers as a class

As the detailed discussion of social relations has suggested, the working class in Chandler is fragmented along occupational and ethnic/language lines. The tension between the unskilled pulp and sulphite workers and the skilled papermakers is based on income differentials and social factors. The French-Canadians resent the fact

²⁴ Informant 15. ²⁵ Informant 2.

that so many English-Canadians are in positions of power and control in a basically French community. The English workers fear that the French are going to assume positions of leadership, then turn around and treat the English as poorly as the English have treated the French.

Transcending such cleavages, however, there are certain elements of working class cohesiveness in Chandler. The workers recognize themselves as a group distinct from the company management. "You do what you do and they do what they do. . . . A union man is a union man and a company man is a company man, eh?"²⁶ The union acts as a cohesive force, binding the workers together. There are some workers who believe that the workers and the bosses have antagonistic interests. One man referred to workers and management as "Two different sides."²⁷ One worker expressed a desire to see a union of all workers against the capitalists. However, he was quick to add that in Chandler, few workers perceive a contradiction between the working class and the capitalists. There is little or no discussion in Chandler of socialism as a serious alternative to the class system. Class feelings came to the surface during the 1970 provincial election campaign when René Lévesque's most persuasive arguments to the Chandler workers were economic ones. Lévesque promised that under the Parti Québécoise, everyone,

²⁶ Informant 13. ²⁷ Ibid.

not just the rich, would be able to go to Florida. He also said that everyone would have a job. One might interpret the low Parti Québécois vote as a sign that the workers in Chandler did not believe Lévesque could or would deliver on his promises.²⁸

An important element of class consciousness is the spirit of class solidarity. This spirit of solidarity manifested itself during a discussion of layoffs in 1971. The general North American recession of 1970-71 reduced consumption of newsprint, necessitating a reduction in production of newsprint. When Gaspesia Pulp decided to fire a group of casual employees, the union made a counter-proposal: instead of firing a group of men, shut the mill down for six weeks during the year. The company accepted the union proposal. This was a very significant action by the union inasmuch as union members decided to give up six weeks' salary each to protect the jobs of the workers with the lowest status in the mill. The workers who would have been fired were older residents with deep roots in the community, they were not mobile; they had nowhere to go. The union proved itself to be an organization able to transcend the short-term economic self-interests of a majority of members to defend the long-term social

²⁸ Informant 2.

interests of casual employees.²⁹

We have already seen that the Chandler union has been willing to help other locals during times of crisis; twice the union has sent \$500 to help out the striking local at nearby New Richmond. In 1971 Quebec's Common Front, an organization designed to bring all unions together for economic and political actions, held a meeting in Chandler. A man who attended reported that there were good ideas and good resolutions which were designed to unite workers. Another worker felt that as a beginning in Chandler, the three unions representing pulp and sulphite workers, papermakers, and office workers should get together into one union. With separate unions, the workers end up going after different things. With one union, it would be "all the same, the same for one."³⁰ (which bears a close resemblance to the Industrial Workers of the World's idea of "all for one, one for all.")

Attitudes toward job

Work in Chandler is a source of satisfaction and fulfillment to the men. As one worker phrased it, "Your job almost becomes a part of yourself."³¹ Workers view their jobs as more than just a way to make a living.

²⁹ Informant 12; Informant 2; Informant 1.

³⁰ Informant 13; Informant 7; Informant 2.

³¹ Informant 7.

To tell you the truth, I know I'm losing strength. I'm 47 years old. I might not be able to do it all the time. But to have a job sitting around doing nothing, I wouldn't like that either. It's better to work around.³²

Workers express tremendous interest in their jobs and have a clear understanding of the technical process involved in the production of pulp and paper and of how their particular jobs relate to that process. Workers understand how the machinery in the mill works; rather than being alienated in the classical Marxist sense, workers are conscious of themselves as an integral part of a production whole. According to a man who worked his way up to the position of superintendent, the men ask many questions about their work. They constantly want to know: What is it? What's it going to do? Who's going to use it? Workers want to know why they are doing a certain job. If they do not know why, they are "just like a piece of equipment." When this man became a supervisor, his attitudes did not change. "I was no boss, no foreman. I was working there. You can't throw your weight around just because you have a title. The title didn't mean a damn thing to me." He believes that a supervisor should be thoroughly familiar with all the jobs he is supervising. A primary responsibility of the supervisor is to satisfy the workers' curiosity and interest by explaining why he wants a certain job.

³² Informant 12.

done. He should tell the men, "I want it done for this reason so a man can get his tools and say, 'I'm doing this today and it's going to do this,'" The man digging a hole in the yard cannot be forgotten. He must know why he is digging that hole; "You're digging it because we're going to put a light there." He'll be interested and can go home and tell his family, "Today I dug a hole in the yard. There's going to be a big floodlight there."³³ This man is acutely aware of the importance of man as a conscious, active creator of his environment instead of a passive subject or mechanized being who is acted upon by forces outside of his understanding or control.

A theme which the author heard recurrently during the interviews was that of pride: Chandler workers take pride in their jobs, pride in themselves as people. An important element of this pride is a sharp sensitivity to arrogance and paternalism. The workers do not like to be put down and they reject the idea that some people are superior to others. These attitudes indicate a profound sense of self-respect and dignity. A concrete example of the Chandler workers' sense of their own worth and dignity can be found in the following explanation of why a worker would not sacrifice his own self-respect for the sake of getting ahead in the company:

³³ Informant 4

There's always stool pigeons. One fellow would see another fellow doing a little something out of the way and go tell the foreman. We call them stool pigeons. I was offered a job like that once. The foreman came to me. He tried to cover it up a little. There's some guys, they don't give a damn, they'll accept a job like that. Those guys get the jobs. They work their way up that way. . . . I don't believe in this thing, greasing the foreman. You see a man going with a little parcel under his arm and giving this to the foreman. Or else bringing a chicken with a bottle of booze. A watchman told me that parcels would arrive at the watchman's shack and they'd say 'give this to a certain foreman.' When the foreman would pass, the watchman would say, 'Hey, come here. There's a parcel for you.' He'd say 'What parcel?' 'A guy left it here for you.' 'Oh, yes, yes. I'll take it.' Supposed to be a chicken with a bottle of booze inside.³⁴

Attitudes toward the company

Most workers maintain positive attitudes towards the company. The company is seen as a benefactor, as a provider of good-paying jobs in a region where jobs of any kind are scarce. Support for the company ranges from the enthusiastic to the fatalistic. A man who has worked for the company for thirty-three years is "very well satisfied. You do your work and it's O.K."³⁵ A second opinion was "It's a pretty good company, not too bad."³⁶ Or as a third worker pointed out, "You have to like it, it's the only one here. Where would we be without the mill?"³⁷ This same man stated that he could not really complain since he was 51 years old, had no education and was partially disabled from a World War II

³⁴ Informant 12. ³⁵ Informant 3. ³⁶ Informant 12.

³⁷ Informant 13.

wound. He works for \$4.00 an hour at a job he enjoys.

The workers do not, however, accept the company without criticism. Many workers think that the company does not open up its financial books enough. They believe that the company is always making a profit (which is usually the case). What the workers do not like, however is the secrecy with which the company surrounds its financial status. Many of the sulphite workers are suspicious about anything the company does, just on general principle.

For years, the union has been trying to win the right to have a voice in determining how the pension plan is administered. The company has refused to allow this, and the struggle goes on. The workers have also been trying to have the retirement age reduced to 60. One worker remarked that "after working in the mill for 30 or 35 years, you are pretty well done by the age of 65."³⁸ There is a feeling that the company does not listen to workers' advice. Some workers feel that the company should be receptive to suggestions, especially from experienced men. They believe that the company should react to ideas from workers, as in the following story. Years ago, an older man who worked at the mill developed a method which used the principle of a lever to ease the task of lifting 500-pound bales of sulphite

³⁸ Informant 13; Informant 2; Informant 4.

into an elevator. An engineer observed this old man's device, made some minor improvements, and this lever became a new work tool. The informant did not indicate who received credit for the invention; his point was that the company had been open to ideas from production-line workers.

However, in recent years the company has become less receptive to suggestions from employees. An example can be found in the case of wood that has sat in water for a long time, causing it to be very sticky when it comes out of the barking drums. Consequently, the wood often falls crossways onto the chain which conveys it to the next section of the plant. When the wood falls crossways, it gets between the links on the chain and cannot be picked up by the chain. Soon the wood begins to pile up and the chain has to be turned off and the wood removed by hand. A sixty-year old worker had been watching this happen for years, when one day an idea struck him. He took a long piece of wood and put it across the opening of the drum. It acted like a wedge: the wood hit the long piece of wood, turned over and fell correctly onto the chain, thus solving the problem. However, an engineer came along and told the man to get rid of the long piece of wood. Although it worked, the engineer resented the fact that the idea had been thought up by a worker. As one worker remarked, the invention

"makes the engineer look bad." After all, engineers are supposed to come up with the ideas, not workers.³⁹

Many of the workers' attitudes toward the company are based on their judgments about the personality and behavior of the company's representatives--the management officials. The manager in 1971, Bruce Little, was quite popular among the workers. They viewed him as friendly, straightforward, a human, especially in comparison with some of the other recent managers who were not so well respected. Little is natural and warm in his relations with workers. One worker said with some astonishment that Little has even been known to seek advice from people who rank below him.⁴⁰

Workers seem to delight in poking fun at the ignorance displayed by executives. A young college-educated executive was unable to tell the difference between spruce and balsam wood. Another young executive walked over to the pond where wood was dumped and asked when the tide came in. Workers found this amusing because that pool was not part of the bay and therefore had no tide.⁴¹

The myth of the docile worker is exploded

Chandler workers have a reputation for being a

³⁹ Informant 12.

⁴⁰ Informant 2; Informant 12; Informant 13.

⁴¹ Informant 12.

stable, reliable and docile work force. There is a myth that workers in the Gaspé are somehow less concerned about fighting for their rights than workers in other places.

La caractèrè gaspésien est chaleureux et accueillant; les relations patrons-ouvriers, semblent plus harmonieuses en Gaspésie qu'en mains endroits où un industrialisation précoce a laisse des souvenirs pénibles.⁴²

As the workers become more aware, they are breaking out of this shell of docility. Most informants brought up the point that Chandler workers are becoming better informed and more militant as their sources of information increase. Workers are receiving more education which helps them to "get out of the darkness, out of the fog." Everyone has a television which brings the news of the world into each living room. The church used to have a monopoly on information, but now "you can't tell them what's going on because they know. You can't tell the people lies anymore."⁴³

The consensus among informants was that in recent years there has been more talk, more debate and dialogue, more "contestation", than in early years. Today the workers make themselves heard. Younger workers with greater education and self-confidence are more independent-minded and less likely to accept the company's explanation of issues. The young workers "push harder." An example of "pushing harder" was the 1970 strike.⁴⁴

⁴²Chandler, Plan.

⁴³Informant 4.

⁴⁴See footnote 7.

Another example of increasing militancy occurred in the spring, 1971 when workers occupied the local unemployment office after the federal government announced that it was closing the Chandler office. That would have meant that people would have to travel 200 miles (to Ste. Anne des Monts) to file their claims and transact business. The timing could not have been worse from the government's standpoint. The announcement was made during a period when the mill was facing at least six weeks of shut-down and the whole town was going to be needing assistance from unemployment insurance. Closing the office would also have put about thirty local office workers out of jobs.

A group of about 50 representatives of the unemployed and union officials from Chandler and New Richmond took over the office in protest of the government's announcement. They phoned Alexandre Cyr, Liberal M.P. for the area and told him that they wanted to discuss the matter with him. When Cyr arrived at the office, the protestors seized him as a hostage. They told him bluntly: "You get us results or you don't get out of here." The protestors were determined not to let Cyr go without a guarantee that the office would not be closed. Apparently they pushed Cyr around a bit until Cyr was convinced that his captors meant business. He quickly got on the phone and called Bryce Mackasey,

Minister of Labour. Macksi assured Cyr that the office would not close down and Cyr passed that assurance along to his captors. Cyr was released; the unemployment office remained in Chandler. The militant occupation of the office and the seizing of a federal M.P. as hostage was supported by the people in Chandler.⁴⁵

Attitude toward U.S. investment

Workers in Chandler do not consider the presence of U.S. capital in their town important, even though Gaspesia Pulp is owned 49% by the New York Times. Everyone interviewed agreed that there was little or no talk in the mill or in town about foreign capital. Those who expressed an opinion seemed to believe that American capital was necessary for Chandler and for Canada. Most were aware of the movement against U.S. investment in Canada. "A lot of people say we don't need the States, but if it wasn't for the New York Times, who would run this mill?"⁴⁶ It was only the New York Times' investment in the building of a newsprint machine that saved the mill from folding in the early 1960's.

People in Chandler do not see any alternative sources to U.S. capital. They ask: What would Canada do if there was no U.S. capital to operate industries? One man

⁴⁵ Informant 2; Informant 12.

⁴⁶ Informant 13; Informant 2; Informant 8; Informant 13.

claimed that there would be no mill if its survival were left up to the Quebec government. He also criticized the federal and provincial governments for not building their own mills years ago. Most seem glad to have an American company in Chandler. "Some say it's good to do business with the States. They are a rich nation."⁴⁷ Many feel that the American companies have done a better job than their Canadian or British counterparts. It was felt that American companies understand employees better than Canadian companies and get along well with the workers. The Americans employ many men and they pay good wages (which is bound to please people in an impoverished region).

However, there was some concern expressed about the control which accompanied U.S. economic investment. As one man remarked, "You have to be nice to the Americans to get their money. . . . You have to work and hold your tongue."⁴⁸ The son of a worker claimed that most people in Chandler view Americans as "loud-mouthed capitalists who invest a buck to make two bucks."⁴⁹ However, the people of Chandler seem willing to tolerate the "loud-mouthed" Americans as long as they paid good wages for steady work. As one worker concluded, "You've got to have the States. You need them. You can't say you don't

⁴⁷ Informant 12; Informant 8.

⁴⁸ Informant 8. ⁴⁹ Informant 16.

need them."⁵⁰

Conclusion

Chandler workers exhibit class consciousness, albeit somewhat different than Marx described. Working class consciousness in Chandler is a combined awareness of social position and a deep pride in their work.

Chandler workers are also proud of their culture; they feel no pressures to imitate their bosses' life styles, no need to adopt their bosses' values. Although social class tension is seldom severe in Chandler, the workers and managers continue to live in separate social worlds. Class separation is the best way to describe the social class relations in Chandler.

⁵⁰ Informant 13.

CONCLUSION

Introduction

This historical and sociological study of Chandler raises three major questions:

1. What important historical changes have taken place in Chandler during the twentieth century?
2. What has been the impact of foreign economic control on the lives of the people in Chandler?
3. Have the benefits of industrialization outweighed the costs for the people of Chandler?

Historical change

The first and most important historical change that has taken place in Chandler was the rapid transformation of the area from a fishing village to a regional industrial center. There are significant differences between the industrial system of wages and independent fishing. For generations, Gaspésians lived as near serfs to Charles Robin and Company, but by 1900 the Robin's empire had weakened and the next 15 years became something of a "Golden Age" for Gaspé fishermen. A popular mythology evolved around the Independent Fisherman: the Independent Fisherman was free; he was prosperous.

"When you are on your own, you are your own boss; you don't have to work if you don't feel like it."¹

The problem with the Golden Age, however, was that only a very few fishermen were benefiting from the prosperity; Robin was replaced "by local merchants, who managed to keep most fishermen under the same control and at the same level of poverty they had always suffered."

Most Gaspesians adjusted readily to the factory system; wage labor, in fact, did not seem to disrupt social patterns. Most Gaspesians were delighted to be working steadily and earning wages that were high in comparison with other opportunities within the Gaspé. A few men could not adjust to the factory system. Thus, for instance, one lumber foreman quit the mill to return to the rivers as a canoe guide. "I'd sooner stay on the river at lower pay than work at the mill. . . . I loved the river. . . . I was more my own master. I had no foreman."² Another man quit his job in the mill and found work on a dredging ship; later, he worked in the woods. It is ironic that the two men who quit the mill have lived to an older age than any of their contemporaries who stayed in the mill.³

There is a disagreement among social scientists about the impact of industrialization on Quebec society.

¹ Informant 7. ² Informant 19.

³ Informant 8.

At one extreme stands Jean-Claude Falardeau who stated that "the industrial revolution in Quebec abruptly disturbed a pastoral symphony."⁴ At the other extreme is Phillipe Garigue who wrote:

The urbanization of rural Quebec took place without giving rise to important frictions and tensions because. . . French-Canadian culture already had incorporated within itself all the elements necessary for contemporary large scale urbanization and as such did not suffer major stress through change.⁵

Everett Hughes and Horace Miner who developed the concept of the folk society to describe pre-industrial Quebec, stand somewhere in the middle of this historical debate. According to Miner, "There was no sudden disruption of the traditional ways, only an increasing attempt to find other ways."⁶ Hughes raised questions about how les habitants would adjust to the transition of the Quebec social structure from rural to industrial. His observations indicated that les habitants have tended to adopt middle class values.⁷

⁴ Jean-Claude Falardeau; "The Changing Social Structures of Contemporary French-Canadian Society," in Rioux and Martin, p. 120.

⁵ Phillipe Garigue, "Change and Continuity in Rural French Canada," in Rioux and Martin, p. 137.

⁶ Horace Miner, St. Denis: A French-Canadian Parish (Chicago: University of Chicago Press, 1967), p. 73.

⁷ Everett C. Hughes, French-Canada in Transition (Chicago: University of Chicago Press, 1943; Phoenix Books, 1965), p. 39.

Data from this study of Chandler substantiates Garigue's view that industrialization did not cause major stress to Quebec society. Few historians agree with Falardeau that industrialization created a social crisis. "Cultural conflict and disintegration are not basic to the vocabularies of either Miner or Hughes."⁸

Garigue's theory that there were no substantive differences between rural and urban Quebec society, however, must be questioned. Miner's and Hughes's concept of a folk society applies to Chandler. Industrialization in Chandler did not bring about an immediate change from a folk society to an urban society. In fact, many folkways persisted until World War II. Families and neighbors maintained their traditional close ties, including practices of mutual aid and neighborhood get-togethers featuring dancing, fiddling, and hard drinking.

Several factors contributed to the decline of the folk society: geographic isolation was mitigated by increased contact with the outside world; increased communication and transportation, radio and television brought news of the urban world to Chandler; new roads linked the Gaspé to the rest of the world; many young people migrated overseas in the Canadian army. Labor union organizers similarly brought increasing contacts

⁸Hubert Guindon, "The Social Evolution of Quebec Re-considered," in Ric and Martin, p. 148.

with people and ideas from other places.

Many Chandler residents regret the passing of the folk society, longing for the good old days when people used to associate more closely with each other. They dislike the anonymity and fragmentation that characterize metropolitan society. Almost incredulously, they remark "Why there's many people in Chandler, we don't know them" although the total population of Chandler has not increased. Chandler residents blame technology for these changes in social interactions, television and the automobile being the two most frequent targets of the general attack on metropolitan ways.

Most informants stated a definite preference for the "good old days." They felt that some essential human qualities of neighborliness have been lost in the shuffle to adopt metropolitan values. The mythology of the good old days is strong in Chandler. This is in direct contradiction to the findings of Rex Lucas, who writes in Minetown, Milltown, Railtown, "They are communities of today, relevant with few past memories. They are new communities. . .with few exceptions they have a short past. . . . Their inhabitants have no lingering myths of days gone by."⁹

Another way to approach the question of social change is to examine social class. Guindon has suggested

⁹Guindon, p. 155.

there was a continuity of elites.

The traditional elites are still the commanding ones in French-Canadian society. While changes wrought by massive industrialization could have considerably altered the composition of the power structure at the top levels, they have not done so.¹⁰

Data from the present study of Chandler supports Guindon's analysis. Before industrialization, power was shared between the local merchant, the professional and clerical elite and the foreign capitalist, Robin. After industrialization, power was shared between virtually the same local elite and the foreign capitalists who owned the pulp mill.

This study has uncovered strong feelings of class consciousness among Chandler workers who identify themselves as a "we group" in contradiction to their bosses. Workers, however, are not class conscious in the classical Marxist sense of believing that their interests are diametrically opposed to those of the capitalists, and that the only method for the workers to achieve their interests is by means of a socialist revolution. The pride that Chandler workers take in their jobs tends to mitigate feelings of alienation.

Lucas's theory about class consciousness in Canadian single industry towns does not apply to Chandler.

¹⁰Rex A. Lucas, Minetown, Milltown, Railtown: Life in Canadian Communities of Single Industry (Toronto: University of Toronto Press, 1971). p. 20.

Despite theories of elitism, class consciousness, notions of exploitation and consciousness of self interest, union leaders and workers in the industry do not use 'we group' terms and certainly never refer to themselves in classical class or working men's language.¹¹

Mr. Lucas certainly did not interview the same Chandler workers that this author did.

According to Lucas, in communities of single industry, "we" includes all the town's folk (including bosses, merchants, etc.) and "they" are those outsiders (union and management) who command general policy.¹²

In Chandler, we/they distinctions are based on class, not geography. The fact that key management officials are "outsiders" adds to the social distance between workers and managers.

David Lockwood, in his article, "Sources of Variation in Working Class Images of Society," writes in language that describes Chandler accurately,

Workmates are normally leisure-time companions, often neighbors and not infrequently kinsmen. The existence of such closely-knit cliques of friends, workmates, neighbors and relatives is the hallmark of the traditional working class community. The values expressed through these social networks emphasize mutual aid in everyday life and the obligations to join in the gregarious pattern of leisure. . . . The isolated and endogamous nature of the community, its predominantly one class population, and low rates of geographical and social mobility, all tend to make it an inward-looking society and to accentuate the sense of cohesion that springs from shared work experiences.

Shaped by occupational solidarities and communal sociability, the proletarian social consciousness

¹¹ Lucas, p. 141. ¹² Ibid., p. 145.

is centered on an awareness of 'us' in contradistinction to 'them' who are not part of us. 'Them' are bosses, managers, white collar workers.¹³

Although the class system is a creation of the industrial society introduced as a result of the pulp mill, the "we" group/"they" group distinction existed before industrialization. Gaspesians were extremely conscious of Robin's officials as a "they" group with tremendous power. Chandler pulp company managers simply stepped into Robin's role as outside power brokers.

Many Chandler residents have within their lifetime experienced awesome economic and technological changes. Old timers have been most impressed with the improvement in the standard of living. They recall the bitter poverty of the "old days." Three dates stand out as turning points in the economic history of Chandler. The first is 1915, when the mill opened and provided steady jobs at relatively high wages for 600 Gaspesians. The standard of living did not significantly increase before the depression. The second important date is 1937, when the mill re-opened after the depression and Chandler's work force was employed again. The third key date is 1942, when Gaspesia Pulp recognized the union and a steady increase in the standard of living was assured.

In recent years the signs of improved living

¹³Lucas, pp. 143-44, citing David Lockwood, "Sources of Variation in Working Class Images of Society," in Kohl, ed. Comparative Perspectives on stratification, pp. 100-101.

standards are evident. Many families live in better homes; most families own at least one automobile; people are well dressed; workers enjoy paid vacations.¹⁴

Technological changes such as the introduction of electricity, plumbing, automobiles and highways, radio and television have combined with economic changes to make Chandler very different in 1970 than it was in 1914. When asked to describe changes he had seen in his 100 years of living in Chandler, one informant shook his head and laughed. "It's like day and night. I couldn't begin to tell you."¹⁵

Foreign economic control

One of the major reasons that the author chose Chandler as the site for this study was the historical importance of United States investment in the pulp and paper mill there. A key question in the author's research was: What impact has American capital investment had on the lives of the Gaspesiens who work in the Chandler mill? This question has led to some unexpected findings. Although economically the role of both American and British capital has been dominant in Chandler (see "Part 2, Corporate History"), sociologically and culturally the general themes of industrialization and capitalist class structure have been far more important

¹⁴ Informant 8; Informant 3; Informant 19.

¹⁵ Informant 19.

than the fact that the owners of the mill have been foreigners. For example, the concept of the outsider has been more significant in Chandler than the concept of a foreigner. The outsider is one who has come in as a manager, an engineer, or a papermaker and has not become part of Chandler's local working class culture.¹⁶

Chandler workers have been keenly aware that they have not controlled the companies for whom they work. Dubuc was a French-Canadian and yet he was just as much an outsider to Chandler as the American, British, Canadian, Swedish and Finnish officials who managed the various companies operating the mill in Chandler.

The history of pulp companies in Chandler has demonstrated that workers' lives were seriously affected by international economic forces outside of workers' control. In the 1920's, two financial empires engaged in a power struggle that resulted in bankruptcy for both and the closing of the Chandler mill for several months. As a result of the international depression during the next decade, Chandler's work force was unemployed again, this time for seven years. Even when work resumed, however, their wages remained lower than those of workers doing the same jobs in other Quebec and Canada mills; the company justified this by pointing to its weak competitive position within the industry.

¹⁶ See Lockwood's quotation on p. 245.

This study has concentrated on the sociological and cultural impacts that the pulp mill has had on workers' lives. The reader who is interested in the economics of foreign investment in Canada should consult Kari Levitt's Silent Surrender and Robert L. Perry's Galt, U.S.A.¹⁷ Perry presents an intriguing case study of American investment in the town of Galt, Ontario. Several important differences in the historical developments of foreign investment in Galt and Chandler stand out. Perry writes that the American economic presence in Galt has been basically a post World War II development. United States investment in Chandler dates back

¹⁷ Kari Levitt, The Silent Surrender: The Multi-national Corporation in Canada (Toronto: Macmillan of Canada, 1971). Levitt presents many of the standard nationalist arguments against foreign investment. Robert L. Perry, Galt, U.S.A.: The 'American Presence' in a Canadian City, A Financial Post Book, (Toronto: Maclean-Hunter, 1973). This is a balanced account of many economic and cultural implications of American investment in Canada. Perry is especially concerned about six major issues:

1. Foreign investment bleeding capital resources from Canada (pp. 12-17).
2. The inefficiency of Canadian manufacturing which he argues is caused by foreign economic control (pp. 40-47).
3. Canadian dependence on American technology (pp. 63-71).
4. Lack of Canadian financing of innovative projects (pp. 82-91).
5. The necessity for Canada to develop its own manufacturing industry (pp. 98-101).
6. Destruction of Canadian cultural independence, (pp. 105-123). Perry writes on page 10, "Enticed to its ultimate conclusion then, increasing psychological dependence could turn English-speaking Canada into a pale, fuzzy, carbon copy of the United States."

to the financing of the first pulp company in 1912. American investment in Chandler has not resulted in the "CocaColonization" and "Americanization" that Perry describes in Galt.¹⁸ Geographic and cultural differences between the two towns are important reasons for this difference. Galt lies just north of the United States border and has been subject to American commercial and media bombardment. Chandler lies on the Gaspé Peninsula more than 700 miles from the United States border. Geographic, cultural, social and political isolation of the Gaspé has contributed to the development of a distinct Gaspesian culture that has exhibited few American characteristics.

Perry writes that prior to the American takeover, Galt workers and employers held a strong common interest in tariff protection against low-cost imports. Galt workers and employers shared common origins as Scottish Presbyterians.¹⁹ Class divisions between workers and employers in Chandler date back to the day the mill opened, and in fact class divisions between independent fishermen and Robin's merchants were characteristic as early as the eighteenth century.

Another difference between Chandler and Galt can be discovered in the financing of industry. Perry writes, "since the early 1960's most of the growth of American

¹⁸Perry, pp. 6-11. ¹⁹ibid.

direct investment in Canada was financed out of Canadian savings, out of the retained Canadian earnings of the subsidiaries themselves and Canadian savings in chartered banks."²⁰ But American banks financed the first Chandler pulp mill and a British company financed the re-opening of the mill after the depression. The New York Times financed construction of two newsprint machines that saved the mill from closing in the 1960's.

The sociological and cultural impacts of foreign investment in Chandler have not been as significant and negative as the author expected to find. Rex Lucas was surprised to discover that in his 500 interviews, there was not a single spontaneous reference to United States ownership.²¹ Perry writes,

For Galt's blue-collar population, the question of foreign control remains an 'egghead' issue, until a takeover or rationalization program affects employment. Ray de Souza, who covers the labor and business beat for the Evening Reporter, probably knows the Galt blue-collar man as well as anyone in town. 'Erosion of culture? Asserting our identity? His pay cheque: that's what the working man is concerned about,' de Souza told me.²²

Workers in Chandler have perceived few, if any, alternatives to United States investment. A typical comment quoted earlier was that of a blue-collar worker: "You've got to have the States. You need them. You

²⁰ ibid., p. 31. ²¹ Lucas, p. 145. ²² Perry, p. 3.

can't say you don't need them"²³ Although Levitt's and Perry's economic arguments against United States investment may be valid, this author defers to the pragmatism of Chandler's working class. Without United States investment, there would have been no Chandler mill. American investment (along with some help from British capital) has been responsible for creating and sustaining several hundred jobs that pay well. Foreign investment has significantly raised the standard of living in the Chandler area. This author has been unable to discover evidence that American investment in Chandler has created a colonized mentality or has destroyed "Canadian cultural identity." Capitalism, class structure and industrialization weigh more heavily than American investment as themes that affect workers' lives in Chandler. Chandler workers have a very clear understanding of power. It is not important to the workers whether they work for an American capitalist, a British capitalist or a Canadian capitalist. A boss is a boss. Rex Lucas's informant posed the issue directly when he stated, "We have a job. We live in the community. The rest is political stuff. It doesn't really matter who they say owns it."²⁴

Cost/Benefit Analysis of Industrialization

Any analysis of the costs and benefits of industrial-

²³ Informant 13. ²⁴ Lucas, p. 145.

ization is highly subjective and dependent on a series of value judgments. The question of whether industrialization has been (on balance) beneficial or harmful to the people of Chandler can be divided into two parts:

1. Are the people better off than they would have been with no pulp mill?
2. Are Chandler workers better off than other Gaspésians?

The author has concluded that the answer to both questions is "yes." The mill has provided steady jobs at high wages. Work has been a source of satisfaction and fulfillment. It would be incredibly insensitive and presumptuous for a middle class researcher to argue that the pulp mill has been harmful for the Gaspé. In an area of such bitter poverty as the Gaspé, economics are primary. Jobs are godsend; industrial development is positive.

However, the reader should be aware of some of the human costs associated with the industrial development in Chandler. None of these first four costs is unique to Chandler. All are characteristic of a capitalist economic system and are deeply rooted in the history of Quebec:

1. Workers have very little power. Top company management officials dominate and control the decision-making process. This represents a Gaspésian historical

continuity from early days when Robin Company officials controlled the economic life of the Gaspé.

2. Working conditions have been poor. Many serious accidents have taken place and evidence suggests that working in the mill is harmful to health.

3. A rigid class system drastically limits the upward social mobility of the working class. This is characteristic of capitalism in general and of Canadian communities of single industry in particular.²⁵

4. Although in recent years a few French-Canadians have risen to management positions, patterns of discrimination against French-Canadian workers (especially unilingual French-Canadians) have persisted in Chandler. This prevents or limits upward social mobility for French-Canadians. As Jean-Claude Falardeau writes, the French-Canadians have typically entered the labor market at the lowest level of unskilled work.²⁶ The Report of the Royal Commission on Bilingualism and Biculturalism concluded:

Socially and economically, Francophones are in a far weaker position than Anglophones in the work world. They are decidedly and consistently lower in average income level, in schooling levels, in occupational scales and in the ownership of industry. Reflecting these findings were those showing meager participation of Francophones in the upper levels of the Federal Public Service and private industry.²⁷

²⁵ Ibid., p. 91. ²⁶ Falardeau, p. 113.

²⁷ Canada, Privy Council and Royal Commission on Bilingualism and Biculturalism, The Work World. Information Canada, Book III-A, p. 5.

In 1961, the average Canadian of British origin earned \$4,872, while the average French-Canadian earned \$3,872. In Quebec, the English-Canadian average was \$4,940 and the French-Canadian average was \$3,185.²⁸

French-Canadians in Quebec have been under-represented in top occupations. Of the French-Canadians, 6.3% held professional or technical positions in 1961 (compared to 15% of English-Canadians). Managerial positions were held by 7.9% of French-Canadians (compared to 15.4% of English-Canadians).²⁹

5. Until very recently, Chandler workers received lower wages than pulp and paper workers in other parts of Quebec and Canada.

The above problems, created as a result of the industrialization of Chandler, tend to qualify the conclusion that the pulp mill has been beneficial to Chandler.

²⁸Canada, Royal Commission, pp. 16, 22.

²⁹Ibid., p. 43.

APPENDIX

INTERVIEWING METHODOLOGY

The author conducted twenty interviews of Chandler residents during the months of July and August, 1971. These interviews were informal in nature, the author's questions concentrating on the informants' memories of historical events, especially as they related to the themes of social class relations and working class consciousness. Most interviews were two hours long. All interviews were granted on the agreement that the informants remain anonymous, as many were afraid that they or their families would suffer if the company learned their identities. Original field notes and tapes of the interviews, therefore, remain in the author's files and are available on request only to bona fide researchers. A brief description of each informant follows:

<u>Informant number</u>	<u>Age group</u>	<u>Ethnic group</u>	<u>Occupation</u>
1	30's	French-Canadian	Lower management
2	40's	French-Canadian	Office Worker
3	60's	English-Canadian (Irish)	Sulphite worker
4	60's	English-Canadian (Irish)	Retired sulphite worker
5	70's	French-Canadian	Retired management

<u>Informant number</u>	<u>Age group</u>	<u>Ethnic group</u>	<u>Occupation</u>
6	Teens	English-Canadian (Irish)	Son of informant 3
7	60's	French-Canadian	Sulphite worker
8	70's	English-Canadian (Irish)	Retired lumberjack
9	90's	French-Canadian	Retired businessman
10	70's	French-Canadian	Retired skilled worker
11	60's	English-Canadian	Retired lumberjack
12	40's	English-Canadian (Irish)	Laborer
13	50's	English-Canadian (Irish)	Laborer
14	70's	English-Canadian (Irish)	Retired laborer
15	40's	English-Canadian	Management
16	20's	French-Canadian	Student, son of informant 2
17	40's	French-Canadian	Housewife; wife of Informant 12.
18	20's	English-Canadian	Son of Anglican minister
19	100's	English-Canadian (Irish)	Retired river guide
20	50's	English-Canadian	Fisherman

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