

# CONTINUITY AND CHANGE IN EASTERN TOWNSHIPS MANUFACTURING INDUSTRY

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## RÉSUMÉ

*Aucune région canadienne, hors des grands centres métropolitains, n'a maintenue une base manufacturière aussi importante, aussi diversifiée et pendant une si longue période que les Cantons de l'Est. L'auteur s'interroge sur les facteurs pouvant expliquer le phénomène des disparitions des bases manufacturières dans les Cantons de l'Est, une région ayant servi de berceaux pour l'industrialisation. L'auteur explique comment les facteurs qui ont encouragé les premières étapes de l'industrialisation dès les années 1840, n'occupent plus la même importance durant la période 1896–1960. Ceci rend la structure industrielle régionale moins compétitive et donc plus vulnérable. Après 1960, par contre, le contexte change de nouveau et on assiste à un retour des facteurs favorisant le renforcement de la structure manufacturière régionale.*

In the context of a 1920s campaign aimed at attracting industrial investors, the Sherbrooke Board of Trade characterized the Eastern Townships as “The New England of Canada,” adding that the region could also be described as “A Province Within a Province.” During the following decades, these two catch-phrases enjoyed great popularity, both as expressions of regional pride and for promotional purposes. The objective, of course, was to present the Townships as an industrial heartland possessing a highly diversified and well-integrated economy. The first slogan implied that the Eastern Townships had served as the prototype for Canadian industrialization, just as New England had in the case of the United States. To ensure that Townships industry should not be perceived as in any way *outdated*, the second slogan presented the Townships as a microcosm of the Quebec economy.

Both structurally and from a historical perspective, these claims were then (and remain today) not without foundation. The earliest signs of industrialization in the Townships are among the nation's

earliest, reaching as far back as the 1820s. Few Canadian regions subsequently produced as many fundamental innovations in industrial technology, in modes of production and in the organization of capital. Furthermore, as we shall see, the industrial history of the Eastern Townships has been characterized by remarkable structural diversity. The diversity of the regional economy is reflected in the richness of the Townships' urban texture, with its pulp and paper towns, textile towns, railway towns, mining towns and towns of differing mixed vocation. Other characteristics of Eastern Townships manufacturing, which have contributed to the region's reputation as a model industrial region, are continuity and longevity. From the earliest date for which comparable statistics exist (1871) to the present day, between 8% and 9% of Quebec's industrial base has been located within the Eastern Townships. Since the Townships' population has, in recent decades, decreased in relation to Quebec's total population, the region now has the highest proportion of industrial workers outside metropolitan Montreal. In a world where most long-established manufacturing regions have seen their industrial base melt away, the continued presence of a strong manufacturing sector, over such a long period, is particularly worthy of note.

It would nevertheless be a mistake to pretend that the industrial history of the Townships evolved without difficulty or in perfect synchrony with the broader process of Canadian industrialization. In fact, from the end of the 19<sup>th</sup> century, for a long period of time, the Eastern Townships faced the prospect of industrial decline. The present article will focus on the problems encountered by the Eastern Townships region in maintaining its industrial base in the face of changing conditions. In order to understand the problems that began to affect Eastern Townships industry in the 1890s, it will be necessary, first of all, to explain the forces which drove the region's industrial expansion during the previous period. We shall then examine factors working against the continued development of the Eastern Townships' manufacturing sector during the course of the 20<sup>th</sup> century and explain how the Townships managed, in the end, to renew its industrial base, thus avoiding the fate of other aging industrial regions. It must be emphasized that this paper explores the particular problem of renewal within an aging industrial region. The object is *not* to summarize the history of industrialization in the Townships. That complex process has been treated in some detail by Jean-Pierre Kesteman, Diane Saint-Pierre and Peter Southam in *Histoire des Cantons de l'Est* and Jean-Pierre Kesteman has already published an excellent synthesis on the subject.<sup>1</sup>

The study area is the same as described in *Histoire des Cantons de l'Est*. It includes most of the traditionally defined Eastern Townships but leaves out the major portions of Drummond and Athabaska counties which are situated in the Saint Lawrence plain and developed historically as extensions of the seigneuries.

### **The Forces Driving Eastern Townships Industrial Expansion during its "Golden Age"**

The early settlers of the Townships were New Englanders, who brought with them the same technical and organizational skills which transformed New England into America's first industrial heartland in the early the 19<sup>th</sup> century. Through the actions of Yankee entrepreneurs, who were soon joined by equally resourceful immigrants from the British Isles, the Townships developed economically as a northern extension of New England. As was the case in New England, industrial development in the Townships was stimulated by technological innovation, endogenous capital accumulation, access to resources and access to growing markets. The technological innovations which took place in the Townships during the 19<sup>th</sup> century are too numerous and varied to summarize here. A sense of their importance can nevertheless be conveyed by mentioning a few examples in the fields of textiles and pulp and paper.<sup>2</sup> In 1826, Joseph Atwood built Lower Canada's first integrated woollen factory in the village of Magog. Similar mills rapidly proliferated in the region and then, thanks to the initiative of Adam Lomas and Andrew Paton, large-scale production was introduced in the 1860s, making Sherbrooke Canada's most important manufacturing centre for woollen goods. Canada's first cotton factory opened in Sherbrooke in 1845 under the control of Canada's first incorporated joint stock company. A generation later, Magog again found itself at the forefront with the opening of the Magog Textile and Print Company's calico and cotton prints factory in 1884. Turning now to pulp and paper, William Brooks introduced industrial paper-making technology to Canada when he installed a 64-inch Fourdrinier paper machine in his Sherbrooke factory in 1849. At that time, rags were still the main source of raw materials. The first important step in the replacement of textile fibres by wood fibres as raw material in paper making was the introduction of the Scottish chemical soda pulp process, which took place for the first time in Canada at Windsor Mills in 1866. Windsor Mills, Canada's oldest still-functioning pulp and paper town, was soon joined by Kingsey Falls, East Angus and Bromptonville, which were to play equally

important roles in the history of the Canadian pulp and paper industry.

At the same time that regional entrepreneurs were introducing new technologies of the sort we have just mentioned, there emerged within the Townships a capitalist class which, in association with Boston and Montreal entrepreneurs, became the main backers of the region's industrial expansion.<sup>3</sup> Financial institutions such as the Eastern Townships Bank, founded in 1859, and the Sherbrooke Trust (originally the Sherbrooke Permanent Building Society) founded in 1874, ensured that local capital, accumulated in the agricultural and mercantile sectors, remained in the region and contributed to the development of manufacturing.

The industrial development of the Townships was also facilitated, during the 19<sup>th</sup> century, by the region's natural resources and geographical location. Besides possessing excellent agricultural land as well as considerable mineral and forest resources, the region was blessed with a hydrology particularly well suited to the water-wheel technology of the early industrial age. The full potential of Townships mill-sites could not be realized until the arrival of railways which rapidly provided the region with one of Canada's densest railway networks. The urban geography of the Townships, with its plethora of small and medium-sized towns, is, to a large degree, the result of the conjunction of mill-sites and railway lines.

Thanks to the region's strategic location, at the crossroads of North-South (New England – Central Canada) and East-West (Maritimes – Central Canada) transportation corridors, the manufacturing industry expanded almost uninterrupted during the second half of the 19<sup>th</sup> century. Between 1854 and 1866, Townships manufacturing centres were ideally situated to profit from the growth in trade with the United States brought about by the Reciprocity Treaty and the American Civil War. During the following period, when protectionist policies prevailed, the region was equally well-placed to take advantage of stimulated demand for Canadian manufactured goods in the Maritimes and Central Canada. The recession which affected most industrialized regions between 1873 and 1896 had much less impact in the Townships than in Quebec as a whole. This can be seen by the fact that industrial employment more than doubled in the Townships between 1881 and 1891 while it grew at a much slower pace in Quebec as a whole.<sup>4</sup>

During this period, in part due to its strength in primary industries—forestry, mining, agriculture—the Townships developed a remarkably broad range of manufacturing sectors. By the 1890s,

the region boasted an important resource-processing sector (primary metals, wood products, pulp and paper); a varied textile manufacturing sector (wool, cotton, silk and knitted products); other light manufacturing (rubber products, chemicals and explosives); heavy manufacturing (machinery and industrial equipment), as well as such low-technology industries as tobacco products, food and beverages. By 1890 the Townships was producing a high proportion of Quebec's total industrial output. In pulp and paper the region's share was 31%, in wool manufacturing 54%, cotton 41%, knitted goods 95%, silk 100%, rubber 100%, chemicals 79%, cigars 73%, beer 44%, primary metals and machinery 20%, to name but the most important. Besides having been first developed in the Townships, and despite difficulties in adaptation to a changing North American industrial environment, most of these sectors have, as we shall see, maintained a continued presence in the region until the present day.

### **Discordant Adaptation to the New Economic Environment: 1900–1960**

Around 1896, at the same time that the Quebec and Canadian economies were recovering from recession and about to embark on what most historians consider to be the decisive phase of industrial "take-off," the Townships' economy was experiencing exactly opposite tendencies. On the regional level, the strong industrial expansion of the previous period came to an end, and Townships industry entered into a period of relative stagnation. What brought about this change and why did the Townships' economy act so differently from the overall Quebec economy? Before answering these questions, it is important to point out that what we shall refer to as the "discordant" behaviour of the Townships' industrial economy lasted for a period of more than six decades. In other words, although the Townships experienced episodes of strong industrial growth between 1900 and 1960, the region experienced just as many reversals. There was, in addition, a general lack of synchrony between phases of industrial growth taking place at the provincial level and those taking place at the regional level. In order to better understand the difficulties experienced by the Townships' industrial economy during this important period of its development, we shall now compare growth in manufacturing production for the province of Quebec, the Eastern Townships and two sub-regions of the Townships: the section located to the west of Lake Memphremagog and, on the other hand, the central and eastern parts of the Townships. The nature of the statistical data available has forced us to consider the central and eastern parts of the Townships as one. It is

**Table I**  
**Annual Percentage Increase in Total Value Added in Manufacturing Production,**  
**Quebec, Townships, sub-regions (Constant Dollars): 1900–1960**

	1900–10	1910–20	1920–30	1930–40	1940–50	1950–60
Quebec	6.39	1.85	6.95	2.84	4.08	5.12
Townships	2.76	4.53	6.41	5.32	3.36	3.94
<i>Sub-regions</i>						
West	0.46	Negative	15.73	4.16	4.49	4.86
Centre-East	3.44	6.75	3.34	7.35	2.79	3.10

Sources: Census of Canada, 1901, Vol. 3, Table XIII; 1911, Vol. 3, Table IX; Dominion Bureau of Statistics, *Manufacturing Industries of Canada*, 1920-.

nevertheless important to understand that, during this period, industrial development took place mostly in the central sections, and only to a small degree in the eastern, sections of the region.

*Table I* clearly demonstrates the tendency of the Townships' manufacturing industry to evolve discordantly vis-à-vis Quebec manufacturing seen as a whole. The table also demonstrates that, in order to understand the evolution of the Townships' manufacturing industry, it is essential to take into account trends in sub-regional industrial expansion. At the outset, it appears remarkable that the Eastern Townships should have benefitted so little from the period of industrial growth which transformed Canadian and Quebec economies between 1896 and 1914. During the 1910–1920 decade, the Townships' industrial performance again appears out of harmony with trends at the provincial level, but this time in the opposite sense, and to its advantage. Strong industrial growth in Sherbrooke and the surrounding towns of the central sub-region explain this reawakening. During the 1920s the Townships as a whole participated in the strongest period in the history of Quebec industrial growth. However, in examining the sub-regional distribution, it becomes obvious that, for a second time, the central sub-region failed to participate in a fundamental phase of national industrial development. Industrial expansion in the Eastern Townships during the 1920s took place mainly in the western part of the region (the Granby–Cowansville–Bedford–Waterloo area), which, after decades of stagnation, suddenly awakens at this stage.

The discordant nature of the Townships' industrial expansion is again apparent during the 1930s. In the context of the Depression, the Townships perform much better than Quebec does as a whole and the central sub-region saw its industrial base develop more

quickly than at any other time during the 1900 to 1960 period. During the 1940s and 1950s, Townships industrial expansion seems increasingly anaemic compared to performance at the provincial level. At the sub-regional level, however, it is apparent that Sherbrooke and surrounding towns experienced serious difficulty, while the manufacturing towns situated closer to Montreal added to their industrial base. As we shall see, by 1960 the western part of the Townships was well on its way to equalling the centre in industrial development.

How can one explain the uneven performance of the Eastern Townships' manufacturing industry during the 1900–1960 period? It is first of all apparent that the forces that had driven the Townships' industrial expansion during its "golden age" did not apply in the new economic context which took shape after the turn of the century. Increased capital concentration and the increased mobility of capital resulted in the disappearance of the endogenous capitalist class, which had played such an important role in the early industrialization of the Townships. The absorption, in 1912, of the region's most important financial institution, the Eastern Townships Bank, by Toronto's Bank of Commerce, is symptomatic of this loss of economic autonomy. As a result, the industrial development of the Townships became increasingly dependent on outside capital investment and, for reasons we shall now examine, such investment was slow in manifesting itself during the first decades of the 20<sup>th</sup> century.

By the turn of the century, the region's natural resources were no longer as well suited to the needs of industry as they had been during the previous stage of development. The passage from hydraulic and steam power to electricity as the main source of energy for industrial production explains, to a large degree, the lack of industrial growth during the first decades of the 20<sup>th</sup> century. The rivers of the St. Francis basin, with their moderate flow and steep vertical drop, had been ideally suited for water-wheel technology but their potential for hydro-electric generation was severely limited. Therefore, despite the fact that half of Quebec's electrical plants were situated in the Townships by the second decade of the century, they were of too small capacity to furnish the power necessary for industrial production.<sup>5</sup> It was only through the importation of electricity from outside the region that the industrial application of hydro-electric power became possible in the Townships. The effects of the connection of the central sub-region to the Shawinigan Water and Power during the First World War and the connection, in the early

1920s, of the western sub-region, thanks to the establishment of the Southern Canada Power grid, are clearly demonstrated by the sudden surges in the levels of industrial production which they induced.<sup>6</sup>

The inadequacy of natural resources had a particularly debilitating effect on the region's pulp and paper mills. The latter found it increasingly difficult to compete with the newer mills established in the Canadian Shield. Not only did they suffer from a lack of generative power during the first decades of the 20<sup>th</sup> century, but they also were severely handicapped by the depletion of the region's forest resources. From the 1920s to the 1960s most of the wood supplied to Townships pulp and paper mills had to be imported from the Lac-Saint-Jean and Sainte-Anne districts north of the Saint Lawrence. Incapable of competing in the lucrative newsprint field, or with mills situated closer to the supply of raw materials, most Townships mills turned to the production of less economically viable Kraft paper as a strategy for survival.

Easy access to markets for Townships manufacturers was less evident in the new economic environment of the post 1900 period than it had been during the 19<sup>th</sup> century. The development of Western Canada was the main factor stimulating national economic development at that time. As Canada's demographic centre of gravity shifted west and the Maritimes no longer held as important a place in the national economy, the Townships could no longer claim to be centrally located. Since railway freight rates placed Townships manufacturing industry at a disadvantage whenever their produce were shipped west of Montreal, there was increasing pressure on certain industries, such as machinery and industrial equipment, to move their operations from the Townships to Ontario.<sup>7</sup>

Despite the problems encountered by certain long-established industrial sectors, the new economic context nevertheless favoured certain forms of industrial expansion. Once an abundant source of energy had been provided by the establishment of high-voltage hydro-electric transmission, the small and medium-sized towns of the Eastern Townships attracted the attention of American corporations which at this time were beginning to establish branch plants outside large metropolitan centres. The new branch-plant economy was made up, essentially, of labour intensive, light manufacturing of consumer goods, particularly textiles. The Townships provided an attractive location for this type of industry because of its well-established infrastructures and the labour potential of its abundant rural population. During this period, employment in



Townships textile factories increased steadily from 2 600 in 1920 to 13 200 in 1956. In Sherbrooke, the proportion of textile workers among manufacturing workers rose from 28% in 1911 to 59% in 1941, signifying both a loss of industrial diversity and a shift towards a less qualified work force.

The new branch-plant economy signalled the arrival of new types of production and much larger plants than those already in existence. To name a few examples, the Julius Kayser Company opened Canada's first silk stocking factory in Sherbrooke in 1919 and the following year, also in the region's capital, Connecticut Cotton Mills Ltd. built the vast plant that was later to be acquired by Dominion Textile. In 1922, Bruck Silk Ltd. opened Canada's first synthetic silk factory in Cowansville; Collins and Aikman Ltd. opened its plant in Farnham in 1929 and; between 1930 and 1936, Esmond Mills, Nordic Hosiery and Burlington Ribbon Company all opened plants in Granby. As indicated by these examples, while the more heavily industrialized central region benefited by the arrival of branch plants, this new phase of industrialization was also highly advantageous to the western sub-region. Between 1921 and 1939, while employment in manufacturing rose 116% in the four most important towns of the central sub-region (Sherbrooke, Magog, Coaticook and Windsor Mills), it rose 395% in the four corresponding towns of the western sub-region (Granby, Cowansville, Waterloo and Farnham).

The important place that the textile industry came to occupy in the Eastern Townships' industrial structure explains why the region performed so well compared to the rest of Quebec during the 1930s. Textiles are essential consumer goods and are, as such, less affected than non-essential goods by downturns in the economy. Furthermore, tariff measures adopted by the federal government between 1930 and 1933 and the signature of the Imperial Preference Treaty with Great Britain in 1932 created particularly favourable conditions for growth in the textile industry. As a result, the Townships had the lowest level of unemployment of all Quebec regions during the Depression. Total industrial employment, which had decreased from 15 800 to 13 900 between 1930 and 1933, rose to the record level of 20 300 by 1937.

While the Eastern Townships benefited greatly by growth in the textile industry until the immediate post-war period, the dependence of its manufacturing structure on this particular sector became a liability from that time on, as the Canadian textile industry faced increasing competition from developing countries where labour

costs were low. The danger of foreign competition was increased after the General Agreement of Tariffs and Trade (GATT) set in motion the process of suppression of commercial barriers in the late 1940s. Suddenly, Townships manufacturing industries were faced with problems of a new nature that led to the elimination of thousands of jobs in the labour-intensive primary textile sector over the following three decades.

The problems affecting Townships manufacturing industry during the 1950s and early 1960s were not limited to textiles. Other sectors of the Townships' industrial economy, such as machinery, industrial equipment and rubber, were also in trouble during this period. It is significant that the same sectors, located in Montreal, experienced no difficulty at this time. Writing in 1960, the economist Michel Phlipponneau blamed this situation on the Townships' peripheral geographic location in relation to Canadian markets.<sup>8</sup> Other contributing factors singled out by Phlipponneau were a lack of new investment, the poor quality of the Townships' highway infrastructure and a lack of leadership among regional elites. During the whole of the 1900–1960 period, at no time did the situation of the Eastern Townships' manufacturing industry appear more critical than in the late 1950s.

### **Local Initiative and the Rejuvenation of Eastern Townships Industry: 1960–2000**

The 1960s represented a turning point for Eastern Townships manufacturing industry. Although closings of such long-established plants as the Paton factory in Sherbrooke, Butterfield's in Rock Forest and Penman's in Coaticook continued through the 1980s, by the end of the 1960s, fundamental industrial renewal was under way. After decreasing by 3% during the 1950s, employment in manufacturing increased by 13% during the 1960s and 43% during the 1970s. Although manufacturing employment again decreased after the 1982 recession, the decrease in the Townships was much less pronounced than the provincial average. Between 1961 and 1991, total manufacturing employment in the Eastern Townships rose from 34 147 to 51 680.

The renewal which began in the 1960s and which has continued to the present is in large measure evocative of the early period of Townships industrial expansion. Just as the establishment of railway transportation stimulated the industrial expansion which began in the 1850s, the opening of four-lane highways had a similar effect in the 1960s. As was the case with the 19<sup>th</sup> century railway net-

work, modern motorways have facilitated communication between the Townships and neighbouring New England as much as they have communication with Montreal. Meanwhile, the North American Free Trade Agreement (NAFTA) has permitted Townships manufacturing firms to take advantage of the region's favourable position in relation to American markets, in ways that recall the days of the Reciprocity Treaty. Another development which recalls the early stages of Townships industrial expansion is the reappearance of an endogenous entrepreneurial class. Rapid economic change and the availability of investment capital has made it possible for small and medium-sized enterprises to stake out competitive positions in areas where large corporations are too slow to innovate. In contrast to the branch-plant economy of the 1900–1960 period, Townships manufacturing industry is now a mixture of foreign-controlled and regionally-controlled enterprises.

In the wake of Michel Phlipponneau's findings, a series of studies were published in the 1970s analysing the predicament of the Eastern Townships' manufacturing sector, as it was then perceived.<sup>9</sup> In order to compensate for anticipated losses in the textile, pulp and paper and wood processing industries, these studies emphasised the need for a restructuring of the region's industrial base around already present, yet "future oriented," industries, such as the long-established rubber products, machinery, metalworking and food and beverage industries. In promoting an industrial strategy centred on these particular sectors, the studies' authors explained the benefits of industries within a region servicing one another. They explained that potential industrial investors are generally attracted to what they perceive as compatible environments, with specialized workforces and the potential for technological transfer. The continued presence in the Sherbrooke area, for over a hundred years, of an industrial complex made up of primary metal production, tool-making, machinery and industrial equipment manufacturing, is a case in point. The potential benefits of becoming part of such a complex unquestionably attracted significant new investment over the years. The same logic explains the fact that, despite the closing of such large and venerable plants as Combustion Engineering-Superheater, Ingersoll-Rand and Unicast Division Canada, Sherbrooke still has as high a proportion of metal workers among its manufacturing workforce as it has had at any time since the Second World War. Instead of a few, very large factories, Sherbrooke now has over fifty small and medium-sized shops, most of which are regionally-owned, doing subcontracting metal-based manufacturing work.

Another survivor of the Townships earliest industrial period is the pulp and paper industry, which, to most observers in the 1950s and 1960s, appeared doomed to disappear. The remarkable recovery of this sector can be attributed both to geographic factors and to new regional entrepreneurial initiative. The geographical position of the Townships' paper mills, which had disadvantaged them during the 1900–1960 period, became advantageous from the moment recycled paper became an important source of raw material. Rumoured to be on the verge of closure during the 1960s, Windsor now boasts a totally new and highly advanced mill which entered into production in 1989, guaranteeing its continued existence well into the future. Kingsey Falls and Bromptonville are two instances of Townships paper mills, forced into bankruptcy and closure during the 1950s, which subsequently became launch pads for multinational corporations through the initiative of innovative entrepreneurs. Rooted in the Townships, Papier Cascade and Kruger Inc. now operate on several continents. In both cases, technological and administrative innovation and globalization were necessary initial strategies in order to compete with the larger corporations which dominated the pulp and paper sector.

Despite these examples of the rejuvenation of traditional Townships manufacturing sectors, the industrial expansion in the Townships during the 1960–2000 period has nevertheless taken place, to a large extent, in sectors which were not present during earlier periods. The two most important examples are the transportation equipment sector (Bombardier, Waterville TG) and the electrical appliances sector (Mitel Corporation, IBM Canada, C-Mac). It is typical of this recent phase of Townships industrial expansion that of the five firms cited here three emerged largely through the initiative of regional entrepreneurs.

### **The Long-term Survival of the Eastern Townships' Industrial Base**

If we look at continuity and change in Eastern Townships manufacturing industry over the long term, two regional characteristics emerge with particular clarity. First of all, the Eastern Townships is manifestly a border region, closely associated with the New England States. Secondly, the region is situated outside the Quebec City–Montreal–Toronto–Windsor corridor which, according to many economists, acts as the motor for Canadian industrial development. The industrial history of the region can, in a sense, be summarized as a continuing tension between two competing, spatially-defined, models of development. The first model empha-

sizes the role of Sherbrooke as a relatively autonomous pole. According to this model, Sherbrooke's autonomous economic development is ensured by its direct relationship with New England, Ontario and, to a lesser extent, the Maritime provinces. The second and alternative model has as its premise the predominance of the Quebec City–Montreal–Toronto–Windsor axis in Canadian industrial development. According to this model, the continued development of the Eastern Townships must depend on its integration within a Montreal-based economy and, *through it*, participation in the larger Canadian and Continental economies.

From the 1840s to the 1890s, a period during which the Eastern Townships was undoubtedly at the forefront of industrial development, the region clearly followed the first of these two models. During the 1900–1960 period, the second model tended to prevail as the Townships' industrial structure became more similar to that of the province. Finally, since 1960, we note a return to greater autonomy and greater industrial specificity thanks to the rejuvenation of the old industrial base. In the 1970s, Tae-Ho Yoo demonstrated that Townships industry was more closely integrated to Ontario's economy than it was with respect to the Montreal economy.<sup>10</sup> Pressures have nevertheless been strong in favour of the alternative model. Government policy tends to portray the Quebec economy as an integrated whole. According to this view, expansion in the various regions of the province comes as a response to stimulation from the Montreal economy, while the Montreal economy, in turn, functions as part of the Quebec City–Windsor axis. As we have seen, the Townships manufacturing sector has, for most of its history, evolved quite independently from the general Quebec economy. Alban d'Amour has complained that policies, which favour the homogenization of Quebec's industrial structure, can only harm the Townships' economy since they do not take into account the region's industrial specificity.<sup>11</sup>

Obviously, the survival of a strong, diversified manufacturing base in the Eastern Townships will depend on the region's capacity to keep both options open. The Townships must seek to profit from its relative proximity to the metropolitan economy but at the same time maintain its independence and structural specificity. Developments over the last four decades would suggest that the Townships' industrial economy will remain at the forefront for the foreseeable future if it manages to maintain a healthy balance.

## NOTES

- 1 Jean-Pierre Kesteman, Peter Southam, Diane Saint-Pierre, *Histoire des Cantons de l'Est*, Québec, Les Presses de l'Université Laval, 1998, 829 p.; Jean-Pierre Kesteman, « Spécificités et dynamismes d'une trajectoire industrielle » dans, *Un patrimoine industriel régional: Sherbrooke et les Cantons de l'Est*, Actes du 7<sup>e</sup> congrès de l'Association québécoise pour le patrimoine industriel, s.l. 1994, pp. 5–16.
- 2 A.B. McCullough, *L'industrie textile primaire au Canada: histoire et patrimoine*, Ottawa, Lieux historiques nationaux, Service des parcs, Environnement Canada, 1992, 326 p.
- 3 Jean-Pierre Kesteman, *Une bourgeoisie et son espace: industrialisation et développement du capitalisme dans le district de Saint-François (Québec), 1823–1879*, Thèse de Ph.D. (histoire), Université du Québec à Montréal, 1985, 847 p.
- 4 Between 1881 and 1891, the number of hands employed in manufacturing, in cities, towns and villages with a population of over 1 500 increased by 107% in the Townships compared to 54% in Quebec as a whole. *Census of Canada, 1891*, Bulletin No. 12, July 1892.
- 5 Claude Bellavance, « Réseaux, territoire et électricité : la dynamique spatiale du processus d'électrification du Québec », dans Serge Courville et Normand Séguin, *Espace et culture*, Saint-Foy, PUL, 1995, p. 396.
- 6 See *Table I*.
- 7 CANADA, *Report of the Royal Commission on Transportation 1951*, Ottawa, 1951, pp. 149–151.
- 8 Michel Phlipponneau, *L'avenir économique des Cantons de l'Est*, Québec, Ministère de l'industrie et du Commerce, 1960, p. 171.
- 9 Tae-Ho Yoo, *La structure économique des Cantons de l'Est : analyse interindustrielle*, Sherbrooke, Université de Sherbrooke, 1972, 110 p.; Alban D'Amours. *Les facteurs de localisation industrielle dans l'Estrie*, Sherbrooke, Centre de recherche en aménagement régionale, s.d., 290 p.; Jean Robidoux et Henri Léonard. *Profil de la petite et la moyenne entreprise dans l'Estrie*, Sherbrooke, Université de Sherbrooke, Centre de recherche en aménagement régionale, 1973, 79 p.
- 10 Tae-Ho Yoo, *Op. cit.*, p. 136.
- 11 Alban d'Amours, *Op. cit.*, p. 290.