

CHAPTER NINE:

End of an Era

Mr. Gibson evidently acts on the belief that it is better to seek during his lifetime to make the world better for his having been in it, than to leave such a work to be solely done by executors after his passing away. It is a pity that more wealthy men do not follow in Mr. Gibson's footsteps.

- T. J. Hawke, 1888.

ON FEBRUARY 24, 1907, Gibson's long-time rival and partner, former Lieutenant-Governor Jabez Bunting Snowball, passed over to the silent majority. If Alexander Gibson didn't attend the funeral, that was because he himself was on the point of death. It was front page news in the *Gleaner*. Now 87, Gibson had been stricken when a severe cold which threatened to develop into pneumonia. Only when his situation seemed critical did he agree to have a physician called in. The family had been summoned, and it seemed as though the man's legendary constitution had finally given out. On April 10, however, it was reported that Mister Gibson had smoked a cigar and gone out for a walk; attended the annual meeting of the Alexander Gibson Railroad and Manufacturing Company and been re-elected President. "Mister Gibson is apparently as vigorous as ever," said Mr. Richey, manager of the Bank of Montreal, "and he walks about strongly and seems to have pretty well regained his strength."

Perhaps prompted by his illness, Gibson seems around this time to have come to a decision to downsize his workload and sell the cotton mill. There were good business reasons for doing so as well. When Gibson built his mill, he entered a troubled industry at a troubled time. A hot-house flower protected by artificial tariff walls, attempting with low margins to compete against massive American competition in New England, the Canadian cotton business was from the beginning threatened with disaster. The *Reporter* might scoff at the danger of overproduction in July, 1883, but by Fall the *Gleaner* was reporting that the alarming failure of David Morrice and Sons of Montreal would bring down the whole industry. Along with Andrew Gault, Morrice was one of the cotton lords of Canada. As the agent for 36 cotton, woollen and knitting mills, he had vastly over-extended himself during the recession of 1882 by advancing 1.5 million against deliv-

eries of cloth, and in November the Bank of Montreal had agreed to further advances only on condition that the output of his mills be reduced by one third.

Over the next few years a number of ineffective attempts were made to stave off disaster. Andrew Gault switched his Hochelaga and Cornwall mills from grey cottons, the mainstay of Canadian production, to bleached and colored goods, and attempted - more or less by dumping - to open markets in China. Gault and Morrice organized a number of voluntary associations to try to curb production. The Canadian Cotton Manufacturers Association was formed in September, 1883, whereby members agreed to close their mills for two days each week and to diversify output, but the refusal of some mills to honor their promises led to the failure of the Saint John mills in 1884, severe losses in Windsor and Halifax, and the temporary closure of one of Gault's mills as well.

It was at this point that Gibson built his cotton mill and over the next few years contributed no small share of trouble to the industry. He refrained from joining a new cartel, the Dominion Cotton Manufacturers Association, formed with Gault as President in 1886, with provisions for closure on Saturdays or one-week shutdowns at member discretion. Ever the independent entrepreneur but not really understanding the necessity of regulation, he not only declined to join the association but immediately entered into a price war with the St. Croix mill, threatening each of them and the industry as a whole with dissolution. According to Michael Bliss, "With two of the largest colored cotton mills in the Dominion selling without regulation, the controlled market system dissolved into chaos, and the association, both colored and grey sections, disintegrated." It was at this point that Gibson boasted foolishly to the Royal Commission on Labour and Capital that in response to the cartel's attempt to boycott him, he would soon be adding 100 looms to his mill. The upshot was that by 1890 only the largest mills had escaped disaster and many of the smaller ones were being shut down at least temporarily. The Windsor and Nova Scotia mills collapsed, and many Ontario mills cut back severely. Few if any dividends were paid.

Accepting finally that voluntary association could not work, Gault and Morrice undertook to enforce regulation by combine and merger. In 1890 the Dominion Cotton Mills Company was formed with the avowed purpose of bringing all grey cotton mills under a single directorship; and in 1892 Morrice formed Canadian Colored Cottons Ltd. to secure the output of the colored section of the industry. The Windsor, Halifax, Coaticook, Brantford, Chambly, Moncton, Windsor, Kingston and St. Croix mills were all added to these two combines, some of them selling at half their assessed value, with only the Parks mill in Saint John and Gibson's mill holding out,

though Gibson did concede partial defeat at this time, forging an agreement with Morrice to market his entire mill output for the next ten years through Morrice's company.

The results of these mergers were significant. By the end of 1892 Gault and Morrice controlled upwards of 26 mills in Canada with only three important mills remaining outside their control - the Merchants Mill at Montreal, the Yarmouth Duck and Yarn Company, and the two Parks mills in Saint John. With effective national regulation and the elimination of cut-throat competition now in place, the cotton industry as a whole stabilized and diversified, though some of the smaller mills were forced to close.

The exact effect of these mergers on Gibson's mill is uncertain. Gibson had continued to expand his spindleage and to add new machinery throughout the mill's lifetime. During the sitting of the Royal Commission, he had 425 operatives, with 22,000 spindles and 600 looms, a significant increase over his first operating years, though still far away from the factory's total capacity. Between 1888 and 1892 the mill diversified from grey to colored goods including sheetings, gingham, flannels, denims, cottonades, and tickings, with payroll increasing to 500. By 1899 there were 26,000 spindles and 700 looms, and by 1907 capacity was 31,000 spindles, though probably as a result of the mergers, in the latter two stages production at the mill had become more specialized, according to a Parks Canada Agenda Paper, "narrowing from grey cottons, sheetings, gingham and flannelettes in 1899 to gingham and flannelettes only in 1907."

In June of 1907 it was reported on good authority that as a result of a bidding war that had been going on over the spring, the Marysville cotton mill along with the 53 brick tenements was on the point of being sold to David Morrice of the Canadian Colored Cotton Mills Company of Montreal. Surveyors had been seen in Marysville measuring up the grounds. The reported selling price was approximately 1.2 million, the estimated overall cost of original construction being about a million. The deal was officially completed on July 9, 1907, when David Jardine and Peter Owen, timber merchants of Liverpool, holding bonds on the Gibson property of 1.75 million dollars, agreed to release the cotton mill property, including two mill dams, to David Morrice senior. Anticipating the need for extra operatives, Canadian Colored Cottons also contracted to rent 10 tenement buildings from the Alexander Gibson Railroad and Manufacturing Company, six brick and four wooden, at \$105 per year per house.

In selling the mill Gibson seems to have done little more than formalize the takeover of his operation by Canadian Colored Cottons, known as the "Trust" in Canada, which had for years been more or less running it from its Montreal head office. Economies of scale seem to have proved too much for



an independent mill, along with the Parks mill in Saint John one of only two left in the country. (Parks would sell to Canadian Colored Cottons in 1922). Though some maintain the mill actually held its own under Gibson, and certainly the newspapers reporting on it at the time were nothing less than upbeat, when it actually came time to sell the property, the *Gleaner* thought that overall the business was “an uncertain proposition, making profits some years and losing money in others.” According to Michael Bliss, Gibson lived to see the mill, a “red-brick white elephant, drain away much of his fortune.”

As early as November 1, 1908, rumours began to circulate that the vast Gibson lumber business, the most valuable timber property in the province, was itself about to be sold, perhaps even within a few days. For several weeks two gentlemen by the name of F. D. Davis, of Lawrence, Mass., and C. S. Baxter, of Boston, said to be representing the International Paper Company of New York, had been frequent visitors to Marysville and seemed about to put the final touches on a purchase

Canada Eastern Railway Station with CNR trains. Alexander Gibson’s house in distance, left center, obscured by trees. Two buildings in center are Gibson store and general offices.

PANB George Taylor Fonds: P5-351.



Installing
new boilers at
Canadian Cottons
Ltd., Marysville,
1909.

PANB J.Y.
Mersereau
Fonds: P18-330.

valued at between 2.5 and 3 million dollars. As supporting evidence the *Gleaner* adduced the fact that the Gibson Company had not yet contracted for the winter's lumber cut, as typically by November large numbers of men would already be in the woods. The prospect of the sale of the lumber business to a large American company created no little excitement in Marysville, where a boom of sorts was anticipated. Large-scale pulp and paper industries, typically financed by American investors, were rapidly taking the place of the long-lumber industry in New Brunswick. Even when the contracts for the winter cut were finally announced, late in November, rumour had it that this would not interfere with the eventual sale; that the new owners were simply taking over the contracts as a part of the deal, as the International Pulp and Paper company had done with its purchase of the William Richards property on the Miramichi.

Adding credence to the rumour was the announcement on November 24 that at a special meeting of the Alexander Gibson Railroad and Manufacturing Com-