

Fraser Inc.

NAME OF THE ENTERPRISE:

FRASER INC.

HEAD OFFICE: Edmundston, N.-B.**ADDRESS:** 27, rue Rice
Edmundston, N.-B. E3V 1S9**OWNER:**

Noranda Forestry

NUMBER OF EMPLOYEES

Approximately 3,800 with 700 at the Edmundston mill, 200 at the head office, 1,100 at the Madawaska paper mill in addition to workers in the woods.

NUMBER OF YEARS IN OPERATION

The company is in operation since 1877; the Edmundston mill since 1917

PRODUCTS

- groundwood pulp
- bisulphite bleached pulp
- bisulphite brown-stock pulp
- paperboard

HISTORY:

In addition to being the most important employer of the northwestern New Brunswick, Fraser Inc. is also one of the oldest enterprises in the area. In fact, it is in 1917 that Fraser Compagnies Limited, an enterprise that was operating in the sawmill industry, decided to undertake the fabrication of chemical pulp. Fraser Inc. began its operations (under another name) in 1877 at River de Chute, south of Perth-Andover when Donald Fraser acquired a sawmill. From its humble beginnings, the enterprise has become one of the most important in the Maritimes. The sons of Donald Fraser sr, Donald Jr. and Archibald, developed an interest for the company. The occupied respectively the positions of Vice-president and President. It was, in fact, under the leadership of Archibald Fraser that the Edmunds ton mill was built. The construction of this new pulp mill, reputed to be of the most recent standards, is deemed to have a capacity of producing 120 tons of pulp per day and has necessitated 4 million dollars of investment. Two other families have equally contributed to the enterprise's success; they are the Mathesons and the Brebners.

The Edmundston compound includes three plants, the chemical bleached and brown-stock pulp mill, the ground wood plant that produces

mechanical pulp, and the paperboard mill. These mills are interrelated and shared in the facilities of transformation and energy production. The whole pulp production is used by the Edmundston paperboard mill and by the paper mill of Madawaska, Maine.

Fraser Inc. has undertaken through the years numerous improvements, one of which was the modernization and extension of the bisulphite plant (1976/1979) the renovation of the paperboard mill (1988), and the installation of high pressure steam pipelines linking the Edmundston pulp mill to Fraser Paper of Madawaska, Maine (1981-1982). The goals pursued by those masterworks, which required millions of dollars of investment were to increase production, reduce costs, conform to the new environment protection standards, and an increased ability to compete on the North American markets.

In addition to the Edmundston and Madawaska mills, Fraser Inc. owns mills in Atholville, Kedgwick, Plaster Rock and Thorold, Ontario. The company manages more than 1,8 millions acres of woodland concessions.

In order to respect its stated mission drawn-up in 1988, Fraser has put in place a programme of total quality control (TQC), which implies the active participation, the leadership, and the formation of all its employees.

WORTHY OF NOTICE

The Edmundston mills have a daily production of 590 tons of bisulphite pulp and 110 tons of marketable multi-ply paperboard.

- Fraser produces three types of paper:
- magazine paper (ex. McLean's, Chatelaine)
- school edition paper (ex. dictionaries, textbooks)
- directory papier (ex. phone directories)

Fraser does not produce newsprint paper.

Total sales of Fraser Inc. in 1988: 654 million dollars.

KIT TO KITCHEN 2000 (1980) INC

NAME OF THE ENTERPRISE:

Kit to kitchen 2000 Inc.

HEAD OFFICE: Quebec**ADDRESS:** 1, rue Guimond
Saint-Jacques N.-B.
EOLIKO**OWNER(S):**

Jean-Guy and Claudette Gendreau

NO OF EMPLOYEES: 12 15 employees**NO OF YEARS IN OPERATION:**

Beginning of operations – June 12, 1989

MAIN PRODUCTION:

Kitchen cupboards in melamine for homes

production by offering products specially made for unifamilial homes and also for apartment buildings. To realize this project, a new manufacture is needed, since the fabrication of each component differs and requires more storage room.

After examining many drafts, it was decided to build a new manufacture with a surface of 42,000 square feet in Saint-Jacques, New Brunswick. This choice was guided by the fact the enterprise already had a good part of its market in the eastern part of the Quebec province and was aiming to penetrate the Maritimes and the U. S. markets. The Saint-Jacques site was therefore a logical and strategic choice as it gave an easier access to both destinations.

As early as June 1988, the enterprise ordered a feasibility study for the installation of the new manufacture; construction started in November 1988.

WORTHY OF NOTICE

The success of the enterprise depends on the following factors:

- Dynamic and competent employees;
- The quality of the product;
- Service to customers;
- The advantages of the Kit-To concept;
- The desire to offer a best product of the best possible price.

A hands-on managerial style bears much attention to human resources.

The application of the most recent technology in the market and highly specialized digital equipment from Austria, Italy and Germany allows for a large capacity of production to answer the needs of the markets in eastern Quebec, the Maritimes, and the United States.

HISTORY

Kit to Kitchen 2000 (1988) Inc. is a company affiliated with « Les Armoires Modernes G & R Ltée », a family enterprise operating in Quebec since the early 1960s. In the beginning, Les Armoires Modernes G & R Ltée was doing only the installation of kitchen cupboards. The company began only in 1976 to manufacture homemade kitchen cupboards. Then, gradually, production was standardized and finally, in 1985, the enterprise acquired new equipments. This allowed the manufacturing pre-fabricated modular melamine cupboards, delivered not yet assembled, due to a new assembly process developed by the Company, as the “Kit-To” concept.

Since its beginnings, Mr. Jean-Guy Gendreau and Mrs. Claudette Gendreau, who fill respectively the positions of President, chief executive and financial officer, responsible for the general administration and human relations, manage the family enterprise. Mr. Gaétan Gendreau, son of Mr. and Mrs. Gendreau, is production supervisor at the Quebec manufacture and was an active participant in the development of the Kit-To concept. As for their daughter, she operates a franchise specializing in the marketing of the company’s finished products in the Rimouski region.

In 1987, the enterprise plans to improve its

A. A. Beaulieu Ltée

NAME OF THE ENTERPRISE:

A.A. BEAULIEU LTÉE

HEAD OFFICE: Edmundston, N.B.

ADDRESS: 1447, rue Principale,
Saint-Basile, N. -B. E0L 1H0

OWNER: Mr. Adjutor Beaulieu

NUMBER OF EMPLOYEES: 40

NUMBER OF YEARS IN OPERATION: 18 yrs.

PRODUCTS:

Specializes in the production of interior and exterior doors, windows and, since 2 years, partition walls. Two types of doors are produced: residential doors in private homes and architectural or heavy-duty doors used in commercial buildings. The latter represent today 70% of the company's sales.

expansion projects, one in 1973 for the windows production and one in 1979 for the production of architectural doors, the actual sales represent a ten-fold increase since 1971.

The company reckons more than 40 employees and, in 1989, this number could reach 50 employees. A.A. Beaulieu shows a good deal of dynamism in the manufacturing sector of our region.

In 1983, André, a son of Adjutor, becomes an associate in the enterprise as its new Executive officer. In 1988, Adjutor's second son, François, joins the group in the department of sales and marketing.

WORTHY OF NOTICE:

A.A. Beaulieu is one of only two companies that manufacture architectural heavy-duty doors in the Maritimes.

A.A. Beaulieu keeps sales offices in Edmundston, Moncton, Halifax, and Toronto. In the not too far future, the company foresees to export its products to the United States. The enterprise uses the "Boléo" trademark.

HISTORY:

Mr. Adjutor Beaulieu, born in Edmundston, acquired, in 1971, the small manufacture of doors and windows of "L.C. Lebel et Fils" which employed three persons. Today, after two major

A.A. Beaulieu Ltée

ENTERPRISE:

A.A. Beaulieu Ltée

R.R. 2

Edmundston, N. B.

The A.A. Beaulieu Ltée Company operates since 1971. Its owner, Mr. Adjutor Beaulieu bought the small manufacture of doors and windows of L.C. Lebel et Fils, which employed only three workers. Today, after two major expansion projects, one in 1973 for the production of windows and one in 1979 for the production of architectural doors, the enterprise has ten times more sales, workers and installations. The area covered by

the manufacture reaches 35 thousand square feet and the number of workers amounts to 25 to 35 persons depending of the production required. The payroll is nearing half a million dollars per year. In a word, A.A. Beaulieu has shown considerable growth in the last 15 years.

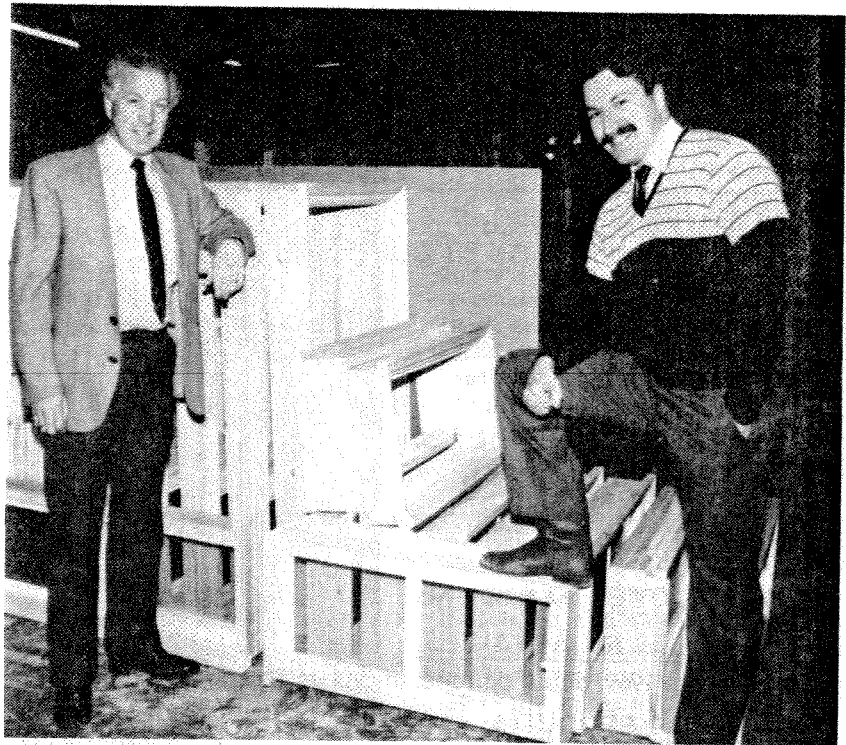
Mr. Adjutor Beaulieu was born in Edmundston. Having acquired experience in marketing, he demonstrates a good deal of savvy in the management of his enterprise. He is responsible for the general operations and sales of the exported production. His son André is the general manager since four years. He assists he father especially inside the manufacture making sure

everything works smoothly. Yves Perrault is the local sales manager. His territory covers 60 miles around the manufacture. The position of manager of architectural projects is given to Louis Harrison and Marcel Martin is production manager.

« BOLEO » is the trade name used to identify the products Beaulieu' is difficult to pronounce for Anglophones customers. The enterprise manufactures interior and exterior doors, windows, and wall partitions that were added in the last three years. There are two types of doors: those used in homes and the architectural doors of higher durability and precision used mainly in commercial buildings.

This latter production line was added to the enterprise in 1979 and represents today 65% of the total sales. Mr. André Beaulieu drew our attention to the fact that the market is very large for this type of doors since A.A. Beaulieu Ltée is one of very few manufacturers of these doors in the Maritimes. To better serve the Atlantic region, a sales office has been opened in Halifax. "We are looking forward to open a second office in the future, André Beaulieu told us. It all depends on the market trends." For the moment, A.A. Beaulieu Ltée prefers to stabilize the present market, keeping a conservative outlook for the next few years.

We wish much luck and success to A.A. Beaulieu Ltée. We would like to thank Mr. André Beaulieu for giving us time for the interview.



Mr. Adjutor Beaulieu (on the left), owner of A.A. Beaulieu of Edmundston, and his son André, general manager.

(Studio William/Guy Lebel, contribution of Le Madawaska)



Employees of A. A. Beaulieu Ltée. (Studio William/Guy Lebel, contribution of Le Madawaska)

Clair Industrial Development Corporation

NAME OF THE ENTERPRISE:

Clair Industrial Development Corp.

HEADOFFICE: Clair, N.B.**ADDRESS:** P. O. Box 118 Site Industriel

Clair, N.B. E 0 L 1 B 0

OWNERS: Les Entreprises Waska Ltée (Mr. Grégoire Levasseur)**NO OF EMPLOYEES:** 44**NO OF YEARS IN OPERATION:** Incorporated

in 1969, began operations in 1969

PRODUCTS:

Cedar shingles sold under brand name WASKA

shingles did not change much over the years and could be considered an art form. The shingles sawyer who's formation could take 1 or 2 years, according to Mr. Levasseur, handles the board three times before obtaining a finished product. It requires a lot of skill and precision since the quality of the product depends on the sawyer's skill.

The cost of shingles is fixed by the market, which means it depends on supply and demand. The company must have a good knowledge and control over the production costs if it wants to survive competition. As the process of producing shingles is demanding on manpower, all improvement in efficiency is translated by an increase in profits. The cost control is therefore very important for the Waska shingles sawyers and it is for this reason that in 1983 the accounting department was computerized.

HISTORY:

In 1968, a group of citizens of Clair, interested in fostering jobs in their municipality, created, in a spirit of collaboration and community development, the Société d'expansion industrielle de Clair. That Society became, in 1983, the exclusive property of Mr. Grégoire Levasseur's family.

In 1979, the mill was destroyed by fire and operations ceased from May to October to allow rebuilding. This reconstruction period gave the opportunity to the owners to modernize the installation and to increase the production of the mill by adding two new saws to the five already in operation.

Since then, the mill has been in operation 16 hours a day with two work shifts, bringing its production to 55,000 square bundles daily. A square bundle contains 4 packs of shingles covering 100 square feet. According to Daniel Levasseur, general manager, the fabrication of

Two generations of the Levasseur family share in the management of the enterprise and maintain its dynamism. In addition to Mr. Levasseur who is Chairman of the Board of Directors and Daniel who is the general manager, Jacques recently joined the ranks of the management team as its Project and Development Director. The directors are examining other projects that could soon be realized.

WORTHY OF NOTICE:

-- One of the most important makers of cedar shingles in New Brunswick;

--80 % of the production is exported to the northeastern region of the United States

-- Shingles have a long durability as it does not rot and is used for roofing homes and buildings located along the ocean. The saline wind blown from the ocean tints shingles in a greyish colour, which gives homes their special attraction.

Clair Industrial Development Corp.



M. J. Grégoire Levasseur, president of the company and his son Daniel, manager. (Studio William/Guy Lebel, contribution of *Le Madawaska*)

ENTERPRISE:

Clair Industrial Development Corp.

Site industriel

Clair, N. B.

The northwestern region of New Brunswick is the home of one of the most important makers of cedar shingles in the province. In fact, the Clair Industrial Development Corp. located in Clair and founded by a group of citizens interested in creating jobs in the municipality, produces today such high quality shingles under the brand name of Waska that the enterprise has earned its well deserved reputation in the shingles manufacturing sector.

THE BEGINNINGS

Clair Industrial Development Corp. was born in a spirit of cooperation and a desire to see community development in their municipality. Thirty-two citizens of Clair brought together their resources to create jobs for their town in the sector of cedar manufacturing for which whose product was in demand and the supply resources in sufficient abundance to last many years. This is how was created the Clair Industrial Development Corp.

LES EMPLOIS

The company had a continuous growth until 1979 when the mill was completely destroyed by fire, cutting 21 jobs. However, the shareholders who's number had considerably diminished in the previous years when many of them sold their shares to Mr. J. Grégoire

Levasseur, the company president since 1972, decided to rebuild the mill. It proved to be a profitable decision in two new saws were added to the five that existed prior to the fire. The company underwent a considerable growth of its production and sales. Today, the company operates with two working crews totalling 43 employees. Since 1983, Mr. Grégoire Levasseur's family is holding 100% of the company shares and is under the management of his son, Daniel.

MARKETING ITS PRODUCTS

Clair Industrial Development Corp. buys its primary wood supply within a 100-mile radius around Clair. About 4.5 million feet of cedar logs are then transformed into 55,000 squares (a square covers an area of 100 square feet) of shingles classified in five quality levels. The products are sold in the Maritimes and also in the United States from Maine to Florida, in the Midwest States such as Kentucky and even in California. Boston remains the most important sales destination.

At the beginning of this new year, we express our salutations and best wishes for a continued success to the Clair Industrial Development Corp., a homegrown enterprise and to extend those greetings to all the entrepreneurs of northwestern New Brunswick.

La Commission industrielle du nord-ouest Inc.

Lattes Waska Laths Ltée

NOM DE L'ENTREPRISE:

LATTES WASKA LATHS LTÉE (formerly Morel Michaud Lumber)

SIÈGE SOCIAL: Clair, N.B.

ADDRESS: Site Industriel

Clair, N. -B. EOL IBO

OWNERS:

Les Entreprises Waska (Mr. Grégoire Levasseur) since April 1988

NO OF EMPLOYEES: 11 to 12 employees

NO OF YEARS IN OPERATION:

15 ans, depuis 1974

PRINCIPAUX PRODUITS:

Laths for snow fences, plantation and construction of three different categories.

Laths Ltée.

The Levasseur family was well known in the region and enjoyed a good reputation as owner of Maple Leaf Restaurant and the Clair Industrial Development Corporation sawmill which produced the Waska shingles.

The acquisition of the lath mill allowed him to streamline the operations since his two mills used cedar wood as primary matter supply and wood that could not be used in the production of shingles could be used in the fabrication of laths which meant a more efficient use of the wood supply. Furthermore, the Levasseur family were not always able to assure a constant production of shingles for the costumers who also needed laths. The acquisition of Mr. Michaud's mill allowed the enterprise to better satisfy the needs of costumers by offering both products (shingles and laths) and so increase its sales.

HISTORY:

In 1973, Mr. Morel Michaud, who was a lumberman, decided to start a manufacture of wood laths. The mill is built in October 1973 and starts operations in May 1974. According to Mr. Michaud, the first years of the enterprise were difficult because of a lack of experience in the operation and management of a sawmill. Due to his determination and perseverance at work he succeeded to overcome the initial difficulties. In 1977, he declared his first profits. The selling of his enterprise was, for Mr. Michaud, the occasion of a well deserve retirement.

In April 1988, Mr. Grégoire Levasseur acquired Mr. Michaud's sawmill and from then on the company will be knows as Lattes Waska

In addition to cedar, balsom, spruce, and, most of all, poplar were used as the manufacturing of laths. The enterprise benefited by holding cutting rights of 3,000 cubic meters of wood on a Crown lands lease and is also supplied by nearby Quebec and local woodlot owners. Waska Laths has a production of 13 to 14 million laths of standard dimension (3/8 x 1.5" x 48") per year in addition to special orders to answer individual needs.

Since the acquisition, the administration of boths mills has been centralized and located at the shingles mill and management has plans for improvements aiming at making a more efficient use of the primary wood supply.

Les ateliers Nadeau Ltée

NAME OF THE ENTERPRISE:

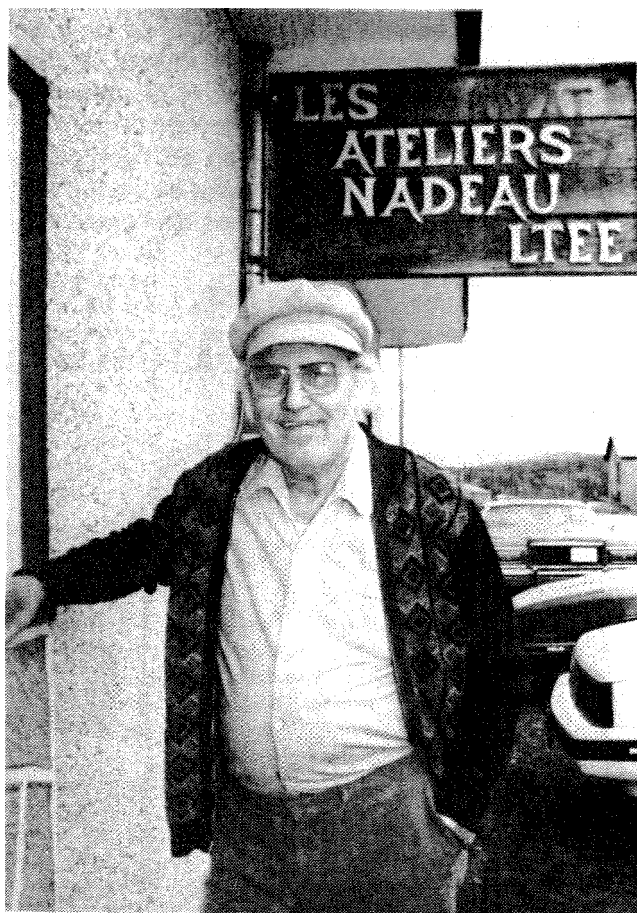
LES ATELIERS NADEAU LTÉE

HEAD OFFICE: Saint-François, N.-B.**ADDRESS:** 573, rue Commerciale
Saint-François de Madawaska
New Brunswick EOL 1JO**SHAREHOLDERS:**

Henri Nadeau, Aurélla Nadeau et Jocelyne Nadeau-Bélanger

NO OF EMPLOYEES: 8 to 12**NO OF YEARS IN OPERATION:** 38 ans
(1951)**PRODUCTS:**

- Mural plaques
- Lapel buttons



M. Henri Nadeau, président de l'entreprise Les Ateliers Nadeau Ltée de Saint-François de Madawaska.

(Studio William/Guy Lebel, gracieuseté Le Madawaska)

HISTORY :

In 1951, Henri Nadeau decides to open mural plaques manufacturing business that combined sculpture and painting. He starts operations in a storage shed but it was destroyed by fire in 1955.

Mr. Henri Nadeau then built a new workshop to house his enterprise. In the 1960s, wood lathes were used in the fabrication process to diversify production. In 1978, majors changes were brought to his production and he sold his wood lathes. He decided to produce mural plaques and a unique style of wood-like buttons. The demand for the latter product was unexpected and soon represented half his total production. Sales of murals peaked twice in the year : in summer and during the Christmas time whereas the sale of buttons was constant year-round which allowed his enterprise to equilibrate his production.

Most of his production is sold in the province of Quebec. New Brunswick and Nova Scotia are secondary markets. Ontario and the Canadian West are seen as future markets. Telemarketing has become a good means of attracting new customers and it already bears results. Catalogues and folders showing products in color are also very useful marketing tools.

Henri Nadeau, artist and artisan, has operated a artisan workshop from 1966 to 1984. His handicraft boutique is located near the Tourist Information Center along the Trans-Canada Highway but the changes brought to the highway and the relocation of the Tourist Information Center did not justify keep his boutique on the same premises. He then decided to relocate his boutique in the Centre Madawaska shopping mall for a period of two years, from 1984 to 1986. Mr. Nadeau then decided to house his boutique in his Saint- François workshop. Tourists traveling in the upper county area get access to the products offers by the Henri Nadeau Arts and Crafts boutique. In addition to his own production, the boutique offers also products of other Canadian artisans.

In 1978, Jocelyne, daughter of Mr. Nadeau, joined the enterprise and soon became its manager.

In 1980, the enterprise was constituted into a registered company. Mr. Nadeau is the artist and creating force of the enterprise. He creates the concept of both wall plaques and label buttons in addition to great paintings whereas Mrs. Nadeau keeps an eye on the quality of the production and works on the finishing touch of the products. Jocelyne takes care of production control and the management of the family enterprise. We notice that family member occupies his/her specialty and that everyone share in the success of the family

enterprise.

WORTHY OF NOTICE :

- All products are hand-painted;
- Unique manufacturing process of the buttons give the company a competitive edge
- Innovative moulding technique;
- An enterprise that quickly adapts to market conditions while maintaining originality and quality.

Les Ateliers Nadeau Ltée



The personnel of Ateliers Nadeau. From let to right: André Nadeau, Francine Côté, Jocelyne Nadeau Belanger, Adrienne Beaulieu, Mireille Nadeau, Aurella Nadeau, Jeanne Michaud (seated), Mr. Henri Nadeau et Laureen Plante

mark of the excellent quality of the workshop production

The workshop also produces buttons, keyholders, and pins. In the last five years, some 3.000 models of those have been manufactures. This represents about 540 000 items sold. Other production include clocks, leisure games, trophies, and sculptures ordered by individuals. The crosier of Mgr Lacroix, the bishop of Edmundston, was made by the Nadeau workshops.

THE MARKET

The workshop production is sold in many locations in Canada and in the United States. However, Ontario and Quebec represent the main market for the enterprise's production. The company is now in the process of re-organizing its marketing structure to further increase sales on the present markets.

Les Ateliers Nadeau Ltée employs usually 8 to 10 persons. During summer more employees are hired.

We are glad to include Les Ateliers Nadeau Ltée among our northwestern group of manufactures. We wish that enterprise all the success in the coming years.

ENTERPRISE:

Les Ateliers Nadeau Ltée
Saint-François, N.B.

THE OWNERS

Established at Saint-François de Madawaska since some 35 years, Les Ateliers Nadeau Ltée is well known for its high quality craftsmanship. The owners are Mr. Henri Nadeau, president, his wife, Aurella Nadeau, vice president, and their daughter, Jocelyne Nadeau Bélanger, secretary treasurer and general manager.

HISTORY

Les Ateliers Nadeau were first lodged in a shed located near their

house until 1955, on the site of the present workshop, neighbour to the furniture manufacture of Nadeau et Nadeau. In 1983, a second workshop, with an area of 2,400 square feet, was built.

In the first years, each piece was made and painted by hand. Then, as competition became more intense, modern moulding techniques were applied. But application of colors and the disposition of scenes always require the artistic touch.

PRODUCTS

The mural plaques representing hand-painted peasant scenes and wooden sculptures remains the trade

The Enterprise that Carves the Seasons

SAINT-FRANÇOIS – The sky was covered with dark clouds when I reach no 185 rue Commerciale in Saint-François de Madawaska. It looked as if autumn had arrived in the middle of summer. How depressing! Armed with my camera and notepad, I entered a building that bore a strong resemblance to a house. On the doorsteps, I am welcomed by a gentleman porting a broad smile.

He invites me to following him to the second floor where he can't wait to present me to his employees who make up the large family of the Nadeau workshops (Les Ateliers Nadeau). It smells paint but the place is cordial.

Henri Nadeau, the smiling gentleman, is the owner of this enterprise which is well know of the quality of its craftsmanship and that he has run for the past 37 years. His daughter, Jocelyne Nadeau Bélanger, is now the workshop manager and is likely to become, one day, his successor.

To share in work and sleep for some is too much but not so for the Nadeaus. They see things differently. A teacher by formation, the company's vice president has raised eight children and then chose handicraft over teaching. Since 21 years, Aurella Nadeau has been working side by side with her husband. "Anyway, she says, Henri has always worked within a couple of steps from the house.

After 40 years we consider it a blessing to have worked together." "We would have been bored otherwise" comments Mr. Nadeau.

At times, a practical joker, he adds that the couple has sometimes know high and low points. "As you see, he explains, my wife is very detailed. Personally, I want production to move faster but she wants everything perfect. It seems to me that we can do both fast and well at the same time". This comment is accompanied with a hearty laugh from the employees who were listening since my arrival.

"How do you find your boss?", I asked them, "He is calm, enjoys a good laugh, and is funny", answers Francine Côté, paint supervisor. "He has a great sense of humor", admits Mireille Nadeau, daughter of the owner. "And a philosopher", adds Mrs. Nadeau.

If the Nadeau enterprise enjoys such a good reputation today, it is the result of a lot of good will. The enterprise born in 1950 in a storage shed near the house. In 1955, on the eve of the bicentenary of the Deportation of the Acadians, a fire broke out in the workshop and completely destroyed hand-painted mural plaques representing peasants scenes and wooden sculptures intended for sale at Grand Pré, in Nova Scotia, for the event. It was on

that occasion that the actual two stories workshop built.

In the first years, each piece was carved and painted by hand. Today, to face competition and to answer the demand modern moulding techniques are applied to the manufacturing process.

The company produces buttons, keyholders, and broochs. In the seven years, more than 4000 different models were designed and more that one million pieces were sold. Recreational games, trophies, clocks and sculptures are also produced on demand.

In a corner of the building, another man approaching retirement, is timidly observing me. He is Claude Michaud, a carver born in Saint-François, at the employ of Les Ateliers Nadeau for the last 21 years. Skilled at carving furniture, M. Michaud told me that he developed an interest for carving smaller objects. "The most important is to live fully the present moment, he tells me, for the future is unreachable and the past can not be revived."

My interview terminated, I leave the with a bit of reluctance those inspired people, in spite of the premature arrival of the autumn season.

Gilles Bégin Lumber Ltée

NAME OF THE ENTERPRISE:

GILLES BEGIN LUMBER LTÉE

HEAD OFFICE: Site industriel de Clair

ADRESSE: Casier postal 100

Clair, N.-B. EOLIB8

OWNERS :

Gilles Bégin, Jean Collin et Guy Paillard

NO OF EMPLOYEES : 30 to 65 (1988)

NO OF YEARS IN OPERATION:

23 ans (1966)

MAIN PRODUCTS:

- railways crossings;
- softwood lumber for furniture manufactures and moulding
- support blocks for railways; wedges, ties
- lumber for manufacturing pallets – softwood chips

of Gilles Bégin Lumber Ltée. The three owners also shared distinct aspects of the company management. Mr. Bégin fills the position of president of the enterprise and chairman of the board. Mr. Collin becomes the general manager and Mr. Paillard the production manager.

In spite of passing through difficult periods, such as the death, in 1983, of Mr. Yves Bégin who was general manager, the company always maintained its dynamism and the directors looked forward positively and with determination.

They consider the Free Trade Agreement with the United States as beneficial to the enterprise as Gilles Bégin Lumber Ltée imports 80% of its wood supplies from Maine and will not worry about trade barriers that could negatively affect its future supply. It should also be noted that the enterprise gets some of its wood supply from the Crown lands.

HISTORY:

In 1966, Mr. Gilles Bégin buys a sawmill owned by Mr. Paul Rioux, in Clair and so began "Gilles Bégin Lumber Ltée.

The actual mill located in the Industrial Park was built in 1974 and since then the enterprise has carried on many expansions and upgrades, the most recent being done in 1988. A sum of \$ 500,000 was invested to buy equipments such as a band saw and chipper, and also the construction of tool room and a storage hangar.

In 1984, Mr. Bégin added two associates to the enterprise. Mr Jean Collin, CGA, and Mr. Guy Paillard became shareholders

WORTHY OF NOTICE

Three characteristics that could better describe the enterprise :

- a) the attention brought to the improvement and streamlining of the material and financial resources in order to keep growing in a very competitive sector;
- b) taking advantage of what technology has to offer to improve the production process and gaining a more efficient use of resources to maximize profits;
- c) the dynamism of the owners.

Gilles Bégin Lumber Ltée.

ENTREPRISE:

Gilles Bégin Lumber Ltd.

Clair, N. B.

EOL 1CO

Gilles Bégin Lumber Ltd. is located in the Industrial Park at Clair, N. B.

It all started when Mr. Gilles Bégin bought an old sawmill and transformed it into a modern enterprise operating in the sawing of leafy logs which differed from other sawmills installations.

Today, the company is

always operating in the sawing of hardwood which distinguishes it from the other mills that saw only softwood. The company is recognized for the quality of its production.

THE OWNERS

Gilles Bégin Lumber Ltd. is the property of a group of three shareholders. Mr. Gilles Bégin, founding president, is also part of this group. Mr. Bégin est is a native of the Le Jeune area, in the province of Quebec, where he still resides. He is a shareholder of *Bégin et Bégin Inc.* and of the *Briquette Dégelis Ltée.*

The general manager of *Gilles Bégin Lumber Ltd.*, Jean Collin, was born in Edmundston. He holds a bachelor degree in business administration for the Université de Moncton and has a professional designation with the Association of General Accountants of New Brunswick

The third co-owner, Mr. Guy Paillard, is the production manager. Before joining *Gilles Bégin Lumber Ltd.*, in 1983, Mr. Paillard was the owner of the *Coin de l'Auto, B.C.P. Camionnage*, in addition to having served as manager of the *Caisse Populaire* of Clair. Guy Paillard and Jean Collin became co-owner of the enterprise with Mr. Bégin in 1985.

HISTORY

In its beginnings, in 1966, the

enterprise counted 12 employees; its total annual production was about 1,8 million feet of finished products and sales amounted to 1, 2 million dollars. In 1974, Mr. Bégin decided to incorporate his enterprise into company to form *Gilles Bégin Lumber Ltd.* He had then 20 employees and produced between 5 and 6 million feet of finished products. Today, the company employs 25 to 30 persons depending on the season. Its payload exceeds 12 million dollars. Its annual sales are more than \$3,200,000 and its production surpasses 10 million pmp of finished products.

PRODUCTS

The greater part of *Bégin Lumber Ltd.*'s production, that is 60%, is marketed to the Canadian National Railways company. The remaining part containing soft lumber and pallets wood is export to the province of Quebec and to the United States.

LOOKING TO THE FUTURE

To maintain a profitable and competitive environment, the company will have to invest, in the next five years, 500 to 700 thousand dollars. These investments will be added to the present capital value of 1,5 million de dollars.

Two factors should be considered in the purchase of new machines. The first the industrial trend to recuperate by-products and the second is the capacity to adapt to the ever changing condition of the supply, it is to say the quality and the size of logs which is in constant decline.

The company must import from the United States about 75% of its raw supply. This has a disadvantage on the company facing competition due to the dollar value which increases the cost of wood supply by 35 to 40%. To offset this and to guarantee a better access to its raw supply, the company will start, this year, its own woodlot operation.

The *Commission industrielle du Nord-Ouest Inc.* is proud to have among the region's manufacturing enterprises *Gilles Bégin Lumber Ltd.* We wish to congratulate, on this occasion, the management and the employees of this company and vie for its best chances of success in the future.

WHEN GOODWILL AND TEAM SPIRIT ARE PART OF THE GAME

In New Brunswick, sawmills are plenty. It is to be expected as forests provide the resources for the most important industry in the Province. But the *Gilles Bégin Lumber Ltée* sawmill, located in Clair in the northwestern part of the province, has this particular characteristic that it operates in the sawing of hardwood when most other sawmills deal rather with softwood.

In 1967, Gilles Bégin, a native of Saint-Juste-du-Lac, in the province of Quebec, buys Paul Rioux's sawmill in Clair, and runs it for 7 years. It is in 1974 that he incorporated his sawmill enterprise creating, with his son Yves Bégin, the *Gilles Bégin Lumber Ltée.* The company gradually expands until it was adversely affected by the 1982 economic recession. Production and profits take a hard hit but the president of the enterprise and his son who is its general manager do not lose heart over this. They pulled up their boot straps and overcame the difficulties.

Then there was this tragic death that came as a surprise to everyone, as a slap in the face, when, in 1983, Yves Bégin died in a car accident at 30. "He wanted to be a doctor but he found his work at the sawmill so interesting that he decided to stay", tells Gilles Bégin, his voice all choked up.

Jean Collin who took over in 1984, remembers. He was the first one arrive on the site of the accident. This tragedy is still hard to forget, brought inevitable changes in the company management. Since then, the *Gilles Bégin Lumber Ltée* is run by four owners: Gilles Bégin remains president; Jean Collin, becomes the general manager; Guy Paillard occupies the position of production manager, and the wife of Mr. Bégin is the secretary treasurer of the company.

An annual figure of \$ 4 millions

Today, with its 35 employees at the mill and 25 in the forest sector, the sawmill boasts of a very respectable annual figure of \$ 4 million, and a production reaching nearly 10 million feet of finished wood products. The two railways companies, the Canadian Pacific and the Canadian National account for 50 % of the total company sales. The other 50% represent sales to the makers of furniture, of hardwood flooring, and pallets. Eighty percent of the total sales are intended for the Quebec market. The remaining 15 percent of the sales are destined to the New Brunswick, Ontario and Maine markets.

Modernization Project

The *Gilles Bégin Lumber Ltée* has built for itself an enviable reputation in the last few years. To increase its productivity and eliminate obstacles to its production, and

to allow a more efficient use or recuperation of raw material (wood supply), circular saw were replaced by band saws. The tool shop has been extended and specialized equipments have been acquired.

If all goes well a new acid vat will be installed next summer. In a more distant future, projections are made to replace the building and to purchase new equipment for a greater productivity and better working conditions for the employees.

Plans are also in place for the construction of dryers in order to create new markets: notably in New York and Boston.

Mr. Collin does not consider the other provincial sawmills as competition. "Competition is more at the level of the acquisition of supply since the company gets 80% of its raw material (wood supply)

in the forests of Maine as do many Quebec sawmills. There's a shortage of wood. It is very difficult to solve this problem since we have not guarantee of wood supply from the American companies", he explains

What about Free Trade?

Gilles Bégin Lumber Ltée does not worry about the Free Trade Agreement since it could be profitable to a certain point. Such an agreement can guarantee that the company would not be victim of protectionist measures that could create an obstacle to the importation of wood from the United States.

Mr. Bégin and Mr. Collin have a common dream: to make *Gilles Bégin Lumber Ltée* the best hardwood producing company in N. B.; a daring project that does not scare them. Mr. Bégin who was due to retired in the spring decided to extend his mandate for another five years so that he could participate in

this great challenge.

At *Gilles Bégin Lumber Ltée* there is not workers' union. "If the company is in good health that is due to the fact that our employees are working very hard...and very well.", explains Jean Collin. This opinion is shared also by Gilles Bégin. "I am proud of my employees who are also my friends." "Here we work as a team and we value very much our employesas", adds Mr. Collin.

"When i came back from a trip in the South, Tuesday, comments Mr. Bégin, I went to see the employees immediately, before going to my office." A gesture that he does consider very meritous on his part but that he thinks is elementary... but that shows a real appreciation of his employees. Well, when goodwill and team spirit is part of the game...

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