

# "They Lost the Smell:" The Canadian Steam Merchant Marine, 1853-1903<sup>1</sup>

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Sir John A. Macdonald's National Policy "extinguished" the smell of the sea in the nostrils of Canadians, contended one member of Parliament during a 1920 debate in the House of Commons.<sup>2</sup> Regrettably he did not amplify his reasoning, but nonetheless he came surprisingly close to the mark. Unfortunately, his word carried little weight, in part because he represented the inland constituency of Red Deer, Alberta. What did he know of the smell of the sea, many sceptics must have wondered?

Still, what is most remarkable is the prescience of his comment. It may be that he was so accurate because he could examine the subject dispassionately, an argument bolstered by the fact that few Canadians more involved with the subject were as insightful. Indeed, the decline of interest in maritime affairs remains a theme that sorely perplexes many Canadians. In this essay I will show in broad terms how the Canadian steam merchant marine, far from being an undernourished, ill-founded venture, was in fact a vital force, and how it first expanded and then contracted in the half century under discussion. Few people within or without the country are even aware that Canada once possessed such a fleet; it is time for this historical fact to become better known.

A word about sources may be useful at the outset. This study is based largely on non-quantifiable sources, since company records have not survived in any significant quantity. In fact, the really valuable sources — such as private letters, diaries and records — simply do not exist. Thus, the sources I have used are the standard ones — especially ships' registers, government records, royal commissions of enquiry, official investigations, and newspapers — employed in fairly traditional ways.

Published sources on the history of the Canadian steam merchant marine are also rare. Besides the nineteenth-century books by Henry Fry and James Croil, both of which cover remarkably similar ground, almost nothing has been written.<sup>3</sup> About the only other Canadian source is Thomas Appleton's more recent study of the Allan Royal Mail Line.<sup>4</sup> Unfortunately, the international sources are little better. N.R.P. Bonsor's encyclopedic *North Atlantic Seaway*, the four-volume *Denny List*, and volumes such as the *Dictionary of Disasters at Sea* contain many factual details but deal with few of the really major aspects of the topic.<sup>5</sup> But there are also other reasons for our lack of knowledge about the

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Canadian steam merchant marine. In part, this lacunae stems from the fact that the majority of deep-sea vessels were owned on the St. Lawrence rather than the Atlantic region of the country.<sup>6</sup> The fact that these vessels were owned in Montréal and Québec rather than Halifax or Saint John means that they were not studied by the Atlantic Canada Shipping Project (ACSP). The researchers associated with this project are the only Canadians who have made a concerted study of the history of the domestically-owned merchant marine; because the scope of their project precluded the study of fleets owned outside Atlantic Canada, the steam merchant fleet has not been examined in depth.

The choice of location for registering these vessels has also helped them to escape most research webs. With a few exceptions, most of the Canadian-owned ocean-going steamships were registered not in Canada but in Great Britain, where the vast majority were also built. This makes the task of locating them in ship registries much more complex than if they had been registered in a domestic port. The pattern of registration also has led to a distortion in interpretation. For example, members of the ACSP have argued that "by the late 1870s shipowners in...Nova Scotia and New Brunswick...owned two-thirds of Canada's total shipping capacity" and that "the vast bulk of the Canadian blue-water fleet was owned in Atlantic Canada."<sup>7</sup> That this is true based on registry statistics is not in dispute. But because the Canadian-owned deep-sea steam merchant marine tended to be registered outside the country, the official statistics mask rather than illuminate the extent of ownership. While for the most part the historians associated with the ACSP have been more careful in their generalizations, others have not. Instead, they have tended to equate figures on Atlantic Canada with those for the entire country. Thus, one author has written that "it is only the politically weak east and west coasts that have an immediate interest in Canadian shipping."<sup>8</sup> This is not true today, and it was not true in the last half of the nineteenth century, as I will show.

I also want to examine the role of the Canadian government in the fortunes of steam investment. Most commentators concerned with the lack of a national merchant marine today lay much of the blame at the feet of the federal government. But how true would such a contention have been a century ago? By examining such topics as financial assistance, regulatory efforts, and the climate created by government policies, we can shed a good deal of light on this issue.

Finally, to keep this study within reasonable bounds a few parameters must be set. The first requires a definition of what constitutes a "Canadian" shipowner. In my view, there are three criteria that must be met: residence in the country, a largely domestic source of investment capital, and a role in forwarding what can be broadly defined as the national interest. By these criteria Samuel Cunard, perhaps the only person linked in the public mind with Canadian steam shipowning, does not qualify. The famous line that bears his name was neither Canadian-owned nor financed, and its services were only incidental to Canadian development. Indeed, as soon as technology allowed, Cunard ceased for a long period to provide service to his native land.

The other parameter concerns an omission. In the discussion that follows I have chosen to ignore one vitally important topic: the inland fleets. This was a sector in which

Canada excelled, and Canadian success in this area deserves to be recognized. But I have not dealt with this here because I do not wish to weaken the focus on Canadian involvement in deep-sea trades.

### **The Allan Line**

The decision to exclude the Cunard Line from this study was made chiefly on the grounds that it did not suit Canadian requirements. This is precisely why the most important steamship company that did serve Canadian needs has been included, even though its pedigree was not always entirely Canadian. In many ways the experience of the Montreal-based Ocean Steam Ship Company (the Allan Line) paralleled that of Cunard. But there was one important difference: initial motivation. Without question the primary incentive for founding the company was to take advantage of Canadian determination to possess a steamship line that catered to the country's special needs, especially the expeditious delivery of mail and a desire to attract a "fair share" of North American-bound migrants.

The government of Canada was deeply disturbed that Cunard spurned his homeland; in particular, it was bothered by his proclivity to ignore Canadian ports in favour of American harbours. It was also dismayed by the fact that the British government, which provided Cunard with large subsidies, offered no inducements to entice him to provide a better service to its faithful overseas possessions. Indeed, many contemporaries came to characterize Cunard as an "uncompromising foe of steam navigation on the St. Lawrence route." As a result, the Canadian government rallied behind Hugh Allan and his group of British and Canadian backers when they embarked upon the precarious task of establishing a regular steamship line to the St. Lawrence.

Hugh Allan had a wealth of seafaring experience and a fleet of fifteen sailing ships when he commenced the transition to steam. He also had priceless connections in Scotland, particularly with the large shipbuilders, William Denny and Sons. Equally important, Allan had significant political and commercial friendships in Canada. Thus, after one unsuspecting English steamship company had been set up as a sacrificial lamb to prove the viability of a steamship route to the St. Lawrence, Allan swung into action.<sup>10</sup> His first two steamers were ready in 1855, but as two were insufficient to operate a regular mail service, he chartered them as army transports during the Crimean War while awaiting the completion of another pair. As soon as they were completed in 1856, the English company was cut adrift and the Allan Line went into operation on behalf of Canada and the Allan family.

The early years were hardly auspicious. Indeed, the record suggests that between 1856 and 1863 the Allan Line experienced perhaps the most disastrous beginning of any nineteenth-century steamship line. It lost eight steamers and cost over five hundred lives in this brief period, and its difficulties further discredited the St. Lawrence route in maritime circles. Yet both Allan and (crucially) the government persevered. About three million dollars were paid out during these years in various aid and subsidy programmes, enabling the line to survive. Evidence indicates that the subsidies in fact roughly equalled

Allan's total steam investment; in other words, the Canadian government in effect provided his entire initial capital. It is hard to imagine a more generous — or indeed a more necessary — act of nourishment by any government. Without the continual infusion of government money it seems unlikely that the Allan Line would have survived. Perhaps the clearest indication of this support was the act passed specifically to enable Allan to upgrade his fleet.<sup>11</sup> In 1863 the government announced a curtailment of the subsidy and opened the trade to all comers. For Hugh Allan and the Montreal Ocean Steam Ship Company, however, this decision presented few worries. Having been nurtured through its perilous infancy, the enterprise was now on firm footing and was able to survive and prosper.<sup>12</sup> Indeed, the removal of any further developmental support guaranteed the line's ascendancy, since by denying assistance to potential competitors the government in effect raised the cost of entry.

But Hugh Allan was not content to sit back and let either fate or the vagaries of government sponsorship dictate his company's growth. Instead, he seized every opportunity to expand. Once convinced that Canadian subsidies would be of only limited duration, he turned his attention elsewhere. Aware that the lucrative Cunard contract was due for renewal, he lobbied the Canadian government to plead his case for an imperial postal subsidy. Faced with the obdurate determination of the British government not to subsidise any non-British line, he sought out a British company that he could absorb, contract and all. He found it in perhaps the most politically-motivated of all shipping concerns, the so-called Galway Line.<sup>13</sup>

Allan single-mindedly pursued the Galway Line proprietors, suspecting that they would be amenable to any arrangement that netted them a profit without the burden of fulfilling the terms of their imperial contract. Allan once again enlisted the active support of the Canadian government, and even the British Treasury Board and Post Office were convinced to rally to his banner. Unfortunately for Allan, in the end it was all to no avail: the realities of Irish politics and William Ewart Gladstone proved too strong to overcome. Although on three separate occasions victory seemed within his grasp, in the end he was unsuccessful. The Galway service shuddered to an ignominious end and the Allan Line was left to fend for itself, without the coveted imperial subsidy.

There are two other aspects of Allan's activities that deserve special attention: his continued investments in iron sailing vessels and his pioneering role in technological innovation. He began investing in iron sailing craft in 1866; his last, the *Glenmorag*, was sold thirty years later. These vessels generally traded between either Liverpool or Glasgow and the St. Lawrence, but they were common sights on most of the world's seas. It was Allan's iron ship *Glennifer* that in 1871 performed the then unheard-of feat of completing four round trips to the St. Lawrence during the April to November shipping season.<sup>14</sup>

Much more than his arch-rival, Cunard, Allan deserves credit for the introduction of new technology to the North Atlantic. For example, he preceded Cunard by nearly ten years in putting iron screw steamers into regular mail service, and his *Buenos Ayrean* in 1879 became the first steel steamer to ply North Atlantic waters. Allan's decision to spar-deck his steamers was also an important advance, albeit one that was contentious at the

time. The British Board of Trade had grave doubts about the safety of this technique, and not until the tragic loss in 1865 of the auxiliary steamer *London* was the value of this new technology recognized. Then, in the words of one commentator, "the Board of Trade itself was literally 'pooped', and...compelled to take cognizance of the value of Messrs Allans' improvements."<sup>15</sup> Other innovations were introduced in areas such as machinery, steering, accommodation, and even the use of efficient sails on steamships. This pattern culminated in 1902 with the construction of the first two liners on the North Atlantic to be fitted with steam turbines, the *Victorian* and the *Virginian*.

Allan was also involved extensively in early railway construction in Canada, and he and his "friends" envisaged nothing less than a transportation monopoly of the scope almost achieved three decades later in the United States by J.P. Morgan: coal, steel, shipbuilding, shipping and rail interests united in an enormous combine spanning the northern hemisphere and extending south at either end into the Pacific and the Caribbean. For a period of at least six months beginning in October 1871, Allan negotiated with the Duke of Devonshire and other British capitalists to form a conglomerate to provide a fast Atlantic steamship service to Canada, feeder lines to the Caribbean and Pacific, and the rails for the Canadian Pacific Railway. Included in this grandiose scheme were Devonshire's Barrow-in-Furness interests (coal, steel, shipbuilding and the manufacturing of rails), the Glasgow-based Anchor Line, and various British railways. In the final analysis the scheme seems to have foundered because of Allan, perhaps as a result of his reluctance to transfer his steamship line to the proposed new holding company, Imperial Steam Navigation.<sup>16</sup> When the Canadian press finally noticed these efforts at a key point, it emphasized Allan's pivotal role, which might also have prodded him to drop the scheme.<sup>17</sup> Yet had Allan succeeded in establishing such an enterprise, it is hard to underestimate its impact on the entire country.

But it did not succeed, and Hugh Allan went back to doing what he did best — running a steamship company. Countering opposition wherever it appeared, and expanding as trade increased, by the time of his death in 1882 Allan had tentacles running the length and breadth of the Atlantic, from Argentina to Scandinavia. Both freight and passenger lines were involved, as well as the mail service, the proportions of each depending upon local opportunities. The attention to local markets was perhaps the key to success. "Even the Allan steamships — first class vessels," exclaimed one authority, "take a portion of deals when they cannot fill up otherwise, or when they have a heavy cargo of wheat, and as they do not desire to sink their vessels, take a lighter cargo of wood to make up for it."<sup>18</sup> The only apparent cloud on the otherwise bright horizon was the future of the company's sailing vessels, which were being forced further afield for cargoes, their final demise not far off.

The line probably reached its peak, at least in terms of service and profit, in 1891, nine years after the death of the founder. It then operated eight different services, a feat which according to N.R.P. Bonsor, "no other British North Atlantic line, before or since, has provided." Yet in many ways this success was more illusory than real. One of the costs was a continuing diminution of the importance of Canada in its operations: only

three of the eight services operated from Montréal. And the long period of growth was no longer being matched by a rejuvenation of the capital stock. By 1892 about half the vessels were twenty years-old or more, and several were thirty. As part of an essential rebuilding process the remaining partners endeavoured to raise capital by forming a joint stock company. "Although the capital necessary to carry out the plan is to be privately subscribed," wrote one Canadian newspaper, and "the controlling interest will be maintained by the Allan family," one salient feature was not mentioned. The story failed to reveal which of the company's branches — Montréal or Glasgow — was to be dominant. This bifurcation of control reflected yet another growing weakness within the company. In the end, the negotiations were carried out in London — neutral ground, but with an obvious bias toward Glasgow. The nature of this internecine battle was of course kept secret, yet given the importance of politics in the industry it was critical. When at the founder's death in 1882 a controversy developed over the exact ownership of the fleet, a Montréal newspaper published precise information. "Exactly one half of the entire fleet," it averred, was owned by Hugh and Andrew Allan in Montréal. This suggests that the balance of ownership was watched carefully on both sides of the Atlantic.<sup>19</sup>

The negotiations to establish the joint-stock company dragged on for four years, accompanied by considerable reorganization right down to the agency level. Yet despite the importance of this process, when news of the final decision reached the press it occasioned no editorial comment. Incorporated as the Allan Steamship Company Limited, capitalization was set at £650,000 in £10 shares. The officers of the company were Andrew Allan of Montréal as president, and Nathaniel Dunlop and Bryce Allan, both of Glasgow, as vice-president and secretary, respectively. From this point on, it became exceedingly uncertain as to who controlled the company. Although some have claimed that control shifted from Montréal to Glasgow upon "old Andrew's" death in 1901, it is evident from the tone of the surviving correspondence that the controlling authority was firmly in Scotland as early as 1897. All decisions had to be referred there to Nathaniel Dunlop, operating under the name of Jas. & Alex. Allan. In 1886 Dunlop had identified himself in testimony as one of the "Managing Owners at Glasgow of the 'Allan' line of steam and sailing ships;" in the next decade he rose to be first vice-president and later unquestionably the dominant influence in the company.<sup>20</sup>

This tale of divided control is instructive for another reason: it highlights our dilemma in understanding the internal workings of the Allan Line. It is simply not clear from the meagre registry data available in Canada just where the power lay within its ranks. We are afforded the narrowest of windows into these intricacies only for a brief thirteen months in 1886-1887 during which time the Line transferred the registries for fifteen of its ships from Glasgow to Montréal. But even the information revealed by this transfer raises as many questions as it answers.<sup>21</sup>

What we do know, however, is that by the late 1890s the Allan Line had weathered its reorganization and had "managed to remain at the fore" among steamship companies operating in Canada. It even placed orders for five new steamers, finally overcoming its reluctance to re-invest without a definite government decision concerning

a proposed "fast Atlantic service." Although none of the vessels fit the qualifications for such a service, at least in speed, they proved to be excellent ships. Shortly after their completion, the Allans ordered their two pioneering turbine steamers. As it turned out, this was to be its last significant investment as a fully independent company.<sup>22</sup>

### **The Dominion Line**

The story of this line — or at least of its Canadian content — comprises a relatively neat package spanning just twenty-two years. Its story may be graphically illustrated by noting the change in its name when it shifted its base of operations from the southern US to the St. Lawrence: from the Liverpool and Mississippi Steamship Company, it was transformed into the Mississippi and Dominion Steamship Company Limited (Dominion Line).

Its Canadian genesis was covered in the local press, the managing owners having been "urged to extend the operation of the Company to the Quebec and Montreal trade." They opened a subscription list in Montréal, where the desire for competition to the Allans was sufficiently strong that about £100,000 was speedily raised, an act which "secured the fleet to" the Canadian port. The new subscribers insisted that a public limited-liability company be established, and this was registered in England on 29 August 1872. Six steamers, with a total carrying capacity of 19,623 tons, were included in the transaction. Subscribers were informed that these vessels would be used in two principal and complimentary trades: the New Orleans cotton trade during the winter and the St. Lawrence passenger and emigrant trade in the summer. As issued, the prospectus allowed for 25,000 shares and a total capitalization of £500,000. What proportion was taken up outside of Canada is unknown, but one thing is abundantly clear: the operation of the line was very much under the control of the managing directors, the Liverpool firm of Flinn, Main and Montgomery. Indeed, only one director, Thomas Cramp, lived in Montréal.<sup>23</sup>

The Dominion Line experienced the usual growing pains, inflicted for the most part by the outraged Allans. The line was quickly granted accommodation by the local Harbour Commissioners; the speed with which this was approved reflected the desire to ensure competition. At the same time, the Allans did everything in their power to discredit the new concern. David Torrance, a long-established Montréal shipping agent and perpetual thorn in the side of the Allans, responded with an indignant letter to the press, charging them with unfair practices and with influencing the media to engage in biased reporting. When it became evident that the new line enjoyed massive local support, the Allans embarked on a plan of commercial retaliation elsewhere. That autumn an Allan vessel appeared in New Orleans, ostensibly to challenge its rival on its own turf. The two lines, however, quickly recognized the destructive potential of such conflict, and the Allans withdrew. Shortly thereafter they sold a surplus steamer to the Torrance group, hardly the action expected of a rival. The lines then settled down to a more-or-less peaceful co-existence, a truce marred only by some minor disruptions in the early years.<sup>24</sup>

By mid-1873 the Dominion Line was fully-functional, boasting a fortnightly service to Britain and declaring an interim ten percent dividend.<sup>25</sup> A year later, the trans-

Atlantic service became weekly — the basic requirement for a line to be fully competitive — but over the next few years the company experimented to see which American port should become its winter terminus. In this quest it became embroiled in the continuous and occasionally acrimonious struggle between two of Canada's pioneer transportation systems, the Allan Line and the Grand Trunk Railway. Since these two systems had obvious strengths — and since the Grand Trunk had a critical advantage in the form of wholly-owned tracks to a year-round port at Portland, Maine — common sense should have dictated close cooperation. But this rarely occurred, and the advent of the Dominion Line (and later the Beaver Line as well) provided the railway with ample scope to play the shipping interests against one another.

We can gloss over the next few years, except to note that in 1885 the Dominion Line peacefully obtained a share of the Allan's mail contract, a sure indication that the two had patched up whatever differences they might have had. During this period the Dominion Line was apparently content with its subservient position. That the newer line should accept the status quo is, however, consistent with its original goal: to provide sufficient competition to keep down ocean freight rates. Its shareholders, who were primarily merchants and producers, were willing to allow the Allans to take the initiative as long as their own line prevented monopoly and hence enabled them to ship goods across the Atlantic at what they considered reasonable rates.

Depression in trade and either the ill health or the effects of old age on one of its English managing directors brought the line to its knees during 1894. When the end came, the losses to its primarily Canadian shareholders totalled something in the neighbourhood of £470,000. Reaction in Montréal to this staggering deficit was somewhat subdued. One newspaper commented that the worst effects would fall on the shoulders of "all the old employees of the Company...who have grown grey in the service, [and] have been or are about to be discharged." Indeed, only the Allans seem to have made a substantive comment on the failure. In so doing they advanced a curious definition of what competition meant on the St. Lawrence:

It was entirely of our own motion that we admitted the Dominion Line to a share in the mail service. Their stock was largely held in Canada, among our own friends and customers, and it was to our mutual interest that we should thus join our forces and work together for the common good. We continued this arrangement long after the line had become practically insolvent.

Whose "common good" this magnanimity was intended to bolster was of course left undefined. But it is telling that the Torrances, for instance, lived in mortal fear of doing anything that might disrupt the equilibrium between the two companies, an attitude made clear in several plaintive letters to the government.<sup>26</sup>

In an almost blithe comment on how his line had been "practically ruined," John Torrance stated that it had been "sold out to a company composed of men of tremendous



energy and enterprise, and with any amount of money at their backs."<sup>27</sup> Left unstated were the facts that the company had been starved for capital and that its previous British managers had been failures. This lack of concern underscores the purpose of the line, and suggests that the shareholders by no means depended on it for their livelihoods.

### **The Beaver Line**

We come now to perhaps the one steam liner company unquestionably owned by Canadians and operated by domestic entrepreneurs whose principal vocation was shipping. "An out-and-out Canadian enterprise," the Beaver Line commenced business in Montréal in 1868, operating five iron sailing vessels as the Canada Shipping Company. This late entry into the industry reflected a conservative style of management. When the directors made the decision to get into steam they did so with equal caution, first by chartering vessels for the first two years and then purchasing steam craft only slowly after 1873.<sup>28</sup>

This conservative approach continued. The April 1874 annual meeting was told that two more steamers would be built in due course. Still, the launching in December of the company's first steamer, the *Lake Champlain*, was an important event. The press praised this "purely Canadian enterprise," while expressing some awe that its "entire stock" was "held in Montreal and the immediate neighbourhood." When the newly-ordered steamers appeared, they were hailed as "snug little ships...such as would pass nowadays for cruising steam yachts, but much too small for cargo ships on the Atlantic, to say nothing of the passenger business." Despite this observation, the line was able to find important trades in which to operate these small vessels successfully.<sup>29</sup>

The *Lake Champlain* completed its trials in March 1875, and according to one newspaper, became "the first steamer plying under the Dominion [of Canada] flag." By the middle of that year the new line, now dubbed the Beaver Line because of the design on its house flag, had a board of directors in London as well as Montréal. That year no dividends were declared, but a slight improvement in business permitted four percent to be paid in 1876. This was considered a "satisfactory result in view of the depression in business." That winter the Beaver Line, sharing with the Dominion Line the fruits of the Grand Trunk's dissatisfaction with the Allans, operated its trans-Atlantic vessels to Portland, Maine.<sup>30</sup>

The Beaver Line over the next few years continued to commission small vessels; not until 1885 did it purchase a steamer that was truly competitive with those operated by the Allans. For a short period it owned six steamers, but the fleet was soon decimated by two losses. The replacement for one was the *Lake Ontario*, the first craft in the fleet to be built of steel and to have triple-expansion engines. In fact, it is noteworthy that this vessel was "the first British passenger liner on the North Atlantic to have this improved type of machinery." By making this transition even before British owners, the Beaver Line helped to maintain the tradition of Canadians as leaders in the introduction of innovative technology on this important route.<sup>31</sup>

But even as the launching of the *Lake Ontario* marked a high point of technological adaptation, so too did it initiate a period of declining fortunes for the Beaver Line. Indeed, this was the last steamer to be built for the company. By 1894 Beaver was forced to withdraw three of its ships from service and to try to sell at least one of the others. A director explained to a reporter the difficulties being faced by the company. The problem, he opined, was caused by "the present low rates of ocean freight." Nonetheless, he professed to be optimistic about the future. "It being a strictly Canadian line, with 90 per cent of its shareholders in Montreal, and its interests strictly Canadian," he averred, "it is to be hoped that there may be such a revival of trade as may enable the vessels to be again placed on the route for the benefit of the Canadian trade."<sup>32</sup>

It was not to be. It quickly became apparent that the English creditors were in no mood to grant concessions. In quick order Beaver was forced into liquidation and the creditors accepted a bid of 7/6d on the pound for the assets from the Liverpool shipbrokers, Richards, Mills and Company. By 1897 all semblance of Canadian control had disappeared, and what remained of the line had passed to Elder, Dempster and Company, one of the most successful of late nineteenth-century British steam companies.

### **The Quebec Steamship Company**

We come now to the Quebec Steamship Company.<sup>33</sup> It was established by astute businessmen in Québec to take advantage of developments associated with Canadian confederation. Despite repeated attempts, prior to 1867 there had been no regular intercolonial steam services on the Lower St. Lawrence. In part this was due to customs barriers, but this constraint was swept away by the new national union.

The founders of the new firm were motivated by a desire to carry their own goods as cheaply as possible to the newly-accessible markets in the Maritime provinces. Of 168 shareholders identified in one document, all owned fewer than twenty shares. While there were shipowners and shipbuilders in this group, the ownership was broadly-based: the list of names reads like the advertising columns in the local press. And the names of its first steamers read almost like a list of vessels from the US Civil War: six of its first seven craft had been involved in some capacity in that unfortunate conflict.<sup>34</sup>

In addition to carrying produce belonging to one or more of the shareholders, the company also took mail to the various ports downriver and performed a variety of functions for the Department of Marine and Fisheries, such as carrying various officials in their capacities as lighthouse inspectors, or helping to extend the telegraph line down the St. Lawrence. It was handsomely paid for these latter services. Prior to 1876, when railways took over the bulk of the cargoes, the federal government provided a total of \$225,000 to the fledgling company. As with the Allan Line, this amount probably represented the sum of the company's initial capital outlay. Once again, the government had ensured the success of a steamship company.

In fact, the Quebec Steamship Company succeeded beyond the wildest dreams of its founders. It generated profits both as a common carrier and as a captive transportation

system for its owners. This probably explains why, once the government-owned Intercolonial Railway had siphoned off much of its traffic, the directors were able with equanimity to turn their backs on the St. Lawrence. Their goods, they recognized, were probably better handled by the railway; on the other hand, they were still in possession of seven small, yet inexpensive and manageable steamships that had cost them little of their own money. As a result, they were amenable when a member of the far-flung Outerbridge clan proposed that they should transfer the vessels from Québec to New York, from there to run services to Bermuda, the West Indies, and South America.<sup>35</sup>

Once again they were successful from the outset. Operating with the cushion of a mail contract from the government of Bermuda, the Quebec Steamship Company quickly established a stranglehold on trade to the island, a position it would not relinquish until the First World War. In 1877, a Venezuelan government contract lured the firm into the Caribbean, where once again it prospered. Eventually the line was able to inaugurate a regular service to many of the islands on about a three-week schedule.<sup>36</sup>

The company's success in these new ventures appears to have three main explanations. The first was the managerial acumen of the Outerbridges, whose wide contacts and reasoned decision-making secured profitable contracts. The second was the lack of enterprise on the part of the Americans, who sat by idly while the company swept their sailing ships from what had previously been virtually a Yankee lake. The final explanation was the sheer marginality of the trade. Many of the smaller islands generated only limited cargoes, which reduced their attractiveness to larger companies. The genius of the company was to recognize that respectable profits could be made from such operations, as long as expenses were kept low and the vessels were operated efficiently. By 1897 the company was widely recognized as being the best line, providing the broadest range of services, between New York and the Caribbean.<sup>37</sup>

The Quebec Steamship Company was thus a long-standing success for its absentee owners in Canada, who were able to attend annual meetings in Québec to ratify the decisions made by the day-to-day managers in New York. Perhaps the best reflection of the success of this arrangement was that in 1903, when other lines were retrenching, the company was able to order its finest ship — the 5500-ton, sixteen-knot steamer *Bermudian* - at the hitherto unheard of price of \$550,000.

## **The Battle Line**

We can now turn our attention to the fifth of the companies. In many ways the Battle Line was very different than the organizations discussed thus far. For one thing, it was the only Canadian tramp steamship operator before World War I. For another, it was managed not in Montréal or Québec, but in Saint John, New Brunswick, by the firm of William Thomson and Company. In a list of little-known enterprises, the Battle Line is perhaps the least well-known of all.

In our examination of this company, we can usefully concentrate on two main elements. First, we will look at its development. Since the Battle Line was in important

ways different than the firms owned in central Canada, we will see if these differences were reflected in the pattern of development. Second, our study can also be used to paint a picture, however sketchy, of the shipowning city of Saint John. The largest of the ports of registry in Atlantic Canada during the "golden age of sail," Saint John was forty years behind the St. Lawrence ports in breaking the barrier into steam. A study of the Battle Line may shed some light on this technological retardation and illuminate the difficulties confronting the transition.<sup>38</sup>

The Thomson family appear to have made a conscious choice of tramp operations as opposed to liners. In making this decision, they most likely were attempting to perpetuate their experiences with sailing vessels. That the strategy was deliberate is suggested by the fact that they immediately placed their newly-built steamers into tramping, rather than turning to this mode of operation after failing in liners. All but one of their fifteen vessels was built in the yard of Russell and Company in Port Glasgow. Interestingly, the Thomsons were identified at this time as "the representative shipowners of North America," a remarkable claim that regrettably was never substantiated.<sup>39</sup>

The Thomsons had owned sailing vessels at least from the 1840s, and by 1894 their sailing fleet numbered twenty-three, with a carrying capacity of some 30,000 tons. These craft ranged from four-masted steel barques (three) to full-rigged wooden ships (eleven) to wooden barques (nine). Three years later, their sailing fleet (or at least that portion of it registered in Saint John) had decreased dramatically to but eight hulls. But by then the company was two years into its steamship building programme. By 1901 the Thomsons had "put afloat nine steamers of the Battle Line, and the next twelve months will see five more built." Each of these, J.H. Thomson stated to a reporter, "represents a capital of \$200,000, or very nearly \$3,000,000 in all, and 95 per cent of this has been Canadian money." When queried further, he claimed that the line was making the enormous profit of fifteen to twenty percent per year, notwithstanding that one of the vessels had been lost. Whether such returns were achieved or not, by most available measures the Battle Line appeared to be a great success.<sup>40</sup>

The centre of the Thomson operations was of course in Saint John. This port had "by far the largest" fleet of ocean-going sailing vessels in Atlantic Canada, as well as the largest total fleet. As a result, it is hardly surprising that it was the one maritime port to put into operation an ocean steamship fleet; what requires explanation is the length of time required to do it.<sup>41</sup>

When the Thomsons were being crowned as the quintessential North American shipowners, the man who bestowed that praise was William Smith, the Canadian deputy minister of Marine and Fisheries, during testimony before a British Parliamentary committee struck to study manning levels in the British fleet. The possible recommendations of this enquiry struck fear into the heart of the owners of wooden sailing vessels in Saint John, who had remained in the industry largely by slashing the size of their crews. Learning that Smith was to testify in person, twenty-six of them sent him a memorial protesting strenuously against any rise in the mandatory levels. In their petition, they concluded with a plea that Smith "protect in this respect our Canadian wooden mercantile

marine, which is so rapidly becoming a thing of the past."<sup>42</sup> This was hardly the action of a confident, dynamic community.

Smith's subsequent testimony could hardly have been a comfort to the petitioners. In his opinion wooden ships "will soon be out of existence" and he predicted that Canadian "shipowners are going into steel ships, and they will become steel shipowners."<sup>43</sup> In expressing these views he was clearly not describing the shipowners who had lobbied him; instead, the description more nearly fit the forward-looking William Thomson and Company.

But before we heap too much praise on Thomson, we should first ask who actually owned the Battle Line steamers. The fleet was established as a series of single-vessel limited liability companies, under the management of the Thomsons. This makes it hard to answer the question with any great precision, unless we accept that the shareholders listed for each vessel (and thus each company) were the sole owners. The registers are still in existence, and while they show the names of all shareholders, they do not tell us the extent to which each had invested in any given vessel. But a quick perusal indicates that between 1896 and 1905 (when vessel procurement ended), a total of forty-four people held shares.<sup>44</sup> The registers list no transactions thereafter, a rather unusual occurrence.

While all this might seem relatively straight-forward, there are complications. Four years later, in an application to the federal government to subsidize a prospective steamship service to Mexico, the secretary of the company stated that the steamers were owned by "477 persons nearly all Canadians."<sup>45</sup> Even allowing for the most far-reaching interpretation of the evidence, nothing in the ship registers indicates ownership this broad. To whom the secretary might have been referring is tantalisingly unclear, and a real understanding of just who actually owned the steamers continues to elude us.

What about the cargoes carried and the trades in which the Battle Line steamers were employed? The answers to these questions are fairly easy to ascertain. First, we should recognize that these were true tramp steamers. For the most part they were utilized in the Atlantic, but they visited ports that spanned the length and breadth of that ocean. From Buenos Aires and Montevideo as far north as Newfoundland, and from the Caribbean to the Mediterranean, they steamed far and wide. Their cargoes were whatever was offered, from coal to wool, hides, sugar, salt, chalk, and deals, to mention only some of the most common. This was the only Canadian tramp steamship company of the era.

Only once were the Thomsons seduced into attempting to enter the liner trades. In the winter of 1897-1898, they shared a contract with the Allans to provide a regular cargo service between Saint John and London. Known somewhat magnanimously as the Allan-Thomson Line, the Thomson ships were just not up to the task. Capable of a mere nine knots (and that only when they were really pushed), they caused such concerns in government circles that the contract was not renewed.<sup>46</sup>

Nonetheless, the Thomson vessels were superb at the task for which they had been built. For example, the *Cunaxa*, launched in March 1899 and measured at about 2000 tons net (roughly the standard for the fleet), had a true carrying capacity of nearly 5000 tons. All the craft were also capable of carrying diverse cargoes. The *Mantineia*, for instance,

cleared from Saint John in 1898 laden with 31,150 bushels of mixed oats, 38,070 bushels of white oats, 30,000 bushels of clipped oats, 25,500 bushels of corn, and 16,950 bushels of peas. In addition, it carried 1000 bags of grape sugar, 6260 boxes of cheese, 550 sacks of flour, 1360 sacks of asbestos, three packages of windmills, twenty standards of pine deals and staves, and (last but not least) 700 boxes of whiskey. Later that year, the 2043-ton *Arbela* departed the same port with 3,244,915 feet of deals; this represented at least 1639 standards, which meant about eighty standards per one hundred tons register. One observer noted that this was "the largest carrying capacity of the fleet so far." Prior to this feat "the biggest cargo ever before carried from the maritime provinces was 73 standards to the 100 tons," yet later ships took even more. Unfortunately, at this point we must leave the tale of the Battle Line, just as it was becoming a major force. By 1902 it was firmly ensconced as by the far the most progressive shipowning firm in the Maritimes. In the next few years the Thomsons would enlarge their reputations, and the Battle Line would continue its rapid growth.<sup>47</sup>

### **Government Nourishment**

There are many ways by which governments can encourage steamship companies. The most obvious, of course, is through subsidization. But there are a host of alternatives, including the creation of a climate conducive to investment, a tactic which can be equally effective. From the examination of individual steamship companies above, it is clear that the Canadian government could be quite generous when it had a mind to be. It is now time to turn our attention to some of the other areas of potential government assistance.

Let us for the moment accept the widely-held contention that the decade of the 1870s marked the zenith of the Canadian merchant marine, and let that generalization apply to both sail and steam. This will provide a rationale for an examination of government actions in the key period from confederation in 1867 to 1875, the year that marked "the first serious trade depression" faced by the new dominion.<sup>48</sup>

During the critical debates leading up to confederation, even the Maritime provinces, the centre of the sailing ship industry, seemed more concerned with railway construction than with the future of shipping. This is clear in the enabling legislation where railways played a featured role while shipping was unmentioned. The act of confederation did nothing to alter the *status quo* of the subsidised steam services. The Allan Line, after all, was an offspring of the old province of Upper Canada (present-day Ontario). Nevertheless, its favoured position received the full endorsement of all four of the original partners in confederation, and there was no subsequent effort to modify this arrangement. Neither was there any apparent interest in changing the terms of reference in the newly-established contract with the Quebec Steamship Company, even though it was a child of confederation and its contract explicitly allowed for periodic review. The only special effort in this period as far as merchant shipping was concerned was a call for the establishment of a regular steamship service to the West Indies, a proposal not adopted by any Canadian shipowner for decades.

For most of these formative years the man at the helm of the federal Department of Marine and Fisheries was the government's resident expert on shipping matters, the Honourable Peter Mitchell, Member of Parliament for the maritime-oriented constituency of Northumberland, New Brunswick. There is ample evidence to sustain the judgement that he was both the most active and the most knowledgeable man to hold this post prior to 1902.<sup>49</sup>

Mitchell approached his portfolio with a determination to have the federal government exercise as much authority as possible over shipping. In practical terms, this meant introducing measures to gain the independence of Canadian shipping from imperial legislation. He was particularly concerned to free Canadian shipowners from the force of any regulations that impinged on their ability to compete in world markets. While he consistently agreed that Canadian laws "should bear as nearly as was admitted by circumstances a similarity with the legislation of the Imperial Parliament," he was equally adamant that in matters of shipping policy Canada should be free to legislate out of "purely national interest."<sup>50</sup>

His accomplishments were significant. Besides his role in the formulation of legislation concerning ship safety, he could point to a number of other important achievements, including the Port Warden Acts, the establishment of a unified registry of Canadian shipping by 1875, the winning for Canada of the right to control and examine engineers on domestic steamships, and the authority to award certificates of competency to Canadian masters and mates. The latter, in particular, proved to be no easy task; a full three years of determined advocacy were required to gain British acceptance of the relevant Canadian legislation. As a result, Canadian vessels were no longer subject to detention in British ports while imperial authorities satisfied themselves that Canadian-certificated masters were in fact competent. In short, Mitchell was perhaps the most staunch advocate of an independent Canadian merchant marine, and he boasted of this. As he put it, "no other interest should receive at our hands any more careful deliberation than matters concerning the shipping of our country."<sup>51</sup>

Nonetheless, Mitchell was open in admitting one basic flaw in all his accomplishments. He sponsored a bill which was passed by Parliament to claim for Canada the right to inspect and classify domestic vessels, a function of sovereignty which previously was impossible to perform in the country. After a brief but heated skirmish with British authorities, the bill had been approved. Indeed, it was within "two weeks" of proclamation when Mitchell was "bowled out" of office with the rest of the Macdonald government in November 1873. The law was not then enacted by his successor through the requisite order-in-council. This, in Mitchell's view, made all Canadian shipping law defective, for it provided the British with a loophole through which to continue to apply imperial legislation to Canadian shipping. This was, he felt, "the only one single link wanting to make our appeal for the exclusion of our tonnage from British legislation complete." And it galled him to realize that the necessary step remained untaken, not because of British intransigence, but rather because the Canadian government failed to bestir itself to enact the necessary piece of paper.<sup>52</sup>

Mitchell's successor as minister, A.J. Smith, while himself a New Brunswicker in substantial agreement on this issue, was much less active in promoting it. Instead, he sheltered behind the argument that "the shipowners of this country have been almost unanimously opposed" to such an institution, fearing that it would allow for political jobbery. Despite the fact that Smith did not accept this view, and even though he heard evidence that the opposition was wavering, much to Mitchell's consternation he declined to pass the order.<sup>53</sup>

But despite Smith's intransigence, Mitchell's views did not lack a forceful advocate within the Department of Marine and Fisheries. Indeed, one of Mitchell's most important tasks had been to select a deputy minister, who of course remained in place even though the Macdonald government had been defeated. His choice was fortuitous, for he installed a man as knowledgeable as himself about the needs of Canadian shipowners. This was William Smith, whose reign as deputy minister lasted from 1867 to 1896. There is every indication that he was philosophically in agreement with Mitchell on almost every issue regarding Canadian shipping. Like Mitchell and A.J. Smith, William Smith was from New Brunswick. Right up until his retirement from the public service, he was active in maritime affairs, testifying regularly before Parliamentary committees on matters affecting Canadian shipping. Smith, therefore, provided that valuable, if non-quantifiable resource — continuity — at a time of shifting values and priorities. While no other minister was ever as effective an advocate of Canadian shipping as Mitchell, Smith was able to exert a continuing influence on the direction of Canadian maritime policy. At a non-political level, he worked assiduously to ensure that shipowners' concerns were addressed and their requests properly handled. He was, in short, a bulwark of strength in Ottawa for any shipowner who cared to use him.<sup>54</sup>

But what about tangible government assistance after 1876? By that time, the developmental subsidies to both the Allan Line and the Quebec Steamship Company had ceased. Payments to steamship companies were then made strictly for services rendered, such as the carriage of mail and immigrants or the opening of new trades. Macdonald's successor, Alexander Mackenzie, provided no further assistance. But Mackenzie's term coincided with a major depression, so it is difficult to know how he might have viewed the issue had he had more flexibility to manoeuvre. When Macdonald returned to power and almost immediately enacted his National Policy in 1879, there was nothing in it directly for shipowners, whether they were in ocean, coastal or Great Lakes commerce. But by then the great sailing fleets had begun to decline, while the steamship companies were for the most part full of vitality and surviving quite well without subsidies.

It is in this context that we must evaluate the variety of small trade subsidies offered by the Conservatives after 1879. Many of these appear to have been designed as window-dressing, either to provide some semblance of support to maritime-based endeavours or to succour important maritime cronies. There is no evidence that the trade routes for which subsidies were offered had been studied carefully to determine their potential. Perhaps more significantly, none of the subsidies was in response to requests



from shipowners. Indeed, many shipowners were convinced that a regime in which the government stayed out of their affairs was the most desirable.

On those rare occasions when a shipowner was sufficiently intrepid to take up one of the subsidies, the results were often tragic, sometimes comical, and invariably unsuccessful. In a remarkable number of cases, bids to operate various services came from speculators, often lacking the requisite vessels but seldom short on grandiose expectations. When such contracts were raised in the House of Commons, the debate (when one occurred at all) was often derisory, and many were passed without any substantive comment.<sup>55</sup>

The one promising service inaugurated during this period for which extensive documentation exists was for the route to the West Indies. But the extraordinary fact is that although there was a perceived demand, and while a series of studies were commissioned (including one in 1866 by a committee of which William Smith was a member), there is no evidence that anyone in the Canadian government ever approached the proprietors of the Quebec Steamship Company to tap their vast and unique success in this very trade.<sup>56</sup>

Thus, the fact that after 1879 government financial assistance was no longer a major factor to shipowners must be tempered somewhat by the admission that no shipowner lamented this. What monetary awards were made were prompted by political rather than marine purposes. Personal gain on the part of politicians can likewise not be ruled out. Prime Minister Laurier, who assumed office in 1896, had business interests in South Africa, as did his unofficial "minister for the fast service," R.R. Dobell. Perhaps not coincidentally, various subsidies were granted in an effort to foster a serious seaborne trade with that colony during the Laurier years. Moreover, even Canada's perennial English-French split intruded into maritime affairs. From the 1870s until well past the turn of the century, opportunistic French-Canadian politicians tried to gain matching federal subsidies for a service to France whenever funds were voted for non-French routes. At least ten such efforts, none successful, were launched in the period to 1903.<sup>57</sup>

Lest it be assumed that I am making a wholehearted defence of government efforts on behalf of shipowners, it is important to note the deficiencies. There were several. First, there was insufficient bureaucratic apparatus until late in the period to deal with matters pertaining to Canadian commercial shipping. Overall responsibility for subsidies and contracts was treated as a political hot potato, shifting from Public Works to the Post Office and then to Finance, before finally finding a permanent home in the new Department of Trade and Commerce in 1893. Marine and Fisheries, which exercised nominal control over much Canadian shipping policy, played no role in contracts and subsidies. The result was a lack of anything resembling a coordinated approach to shipping and commercial matters. The process of policy formulation also was undeniably weak. Even after the creation of the Department of Trade and Commerce, suspect practices continued, with subsidies and preferences still awarded as political plums. More than once, baffled bureaucrats wrote to their political superiors requesting clarifications

on contracts negotiated, deals dispensed, and concessions made by other ministers on matters entirely beyond their own jurisdictions.<sup>58</sup>

### **The Fast Atlantic Service**

Still, in my view these flaws pale when we attempt to assess the overall "climate" within which Canadian shipowners had to operate after about 1886. Here we encounter immediately the greatest flaw in Canadian shipping policy: the fixation with the establishment of a fast Atlantic steamship service so that Canadian mails, travelling by Canadian routes, could regain their competitive edge over the faster, more frequent ships that sailed via New York. This long campaign, which diverted governmental attention from other pressing problems in the maritime sector, went by several names, but was perhaps best expressed by the contemporary phrase, "Twenty Knots to Canada."

It is hard to determine which Canadian commercial interests, save one, would have been served by this expensive project. Only the Canadian Pacific Railway Company was continuously and unambiguously in favour. To the CPR, a failure to obtain the fast Atlantic service seriously jeopardized its ambitions to monopolize trade and passenger services to Europe and the Far East. From 1886 onwards, the railway's officers were to be found in all the appropriate places, cajoling, petitioning and threatening in an attempt to get the service established, preferably in the first instance by others.<sup>59</sup>

A cynic would be hard-pressed to find any compelling commercial reason for the devotion lavished on this scheme by both Conservatives and Liberals. Certainly the pressure did not come from the obvious places. The Post Office, for example, did not demand it. Indeed, its officials were perfectly content to transmit the mails via the US at a fraction of the cost of subsidizing a national fast service. It is true that some nationalists intermittently expressed outrage at this position, but their pressure was hardly overwhelming. Various Boards of Trade did in fact petition for such a service, but aside from those located in cities which were potential terminals, they were unable to provide any rationale, which weakened the pressure they could exert. And it certainly was not the steamship lines serving the St. Lawrence which lobbied for a fast service. Indeed, at one point Canadians were treated to the unedifying spectacle of their leading steamship company, the Allan Line, and their most respected transportation expert, Sandford Fleming, declaiming at length wherever they could obtain an audience about the unsuitability of the river for those expensive and vulnerable steamers required for a fast service.<sup>60</sup>

There were many tender calls for such a service after 1886 — far too many to be detailed in a brief paper. On occasion, Canadian steamship operators did tender, but always at such high costs that their offers were unacceptable to the politicians. Many others submitted speculative tenders based on expectations of anticipated, but unpromised, government largesse. Some of the bids came from legitimate British companies, while others were received from less well-established operators, who hoped to reap windfall profits from the government's determination by proposing dubious schemes. Contracts

were signed on more than one occasion, by Conservatives and Liberals alike, but none ever came to fruition.<sup>61</sup>

The net effect of this fixation on the fast service can be stated briefly: for all intents and purposes, it constituted the government's entire shipping policy, while at the same time creating an atmosphere of uncertainty within the industry. The normally reticent Henry Fry was provoked into making one of his few judgements by this myopic policy. He claimed that the failure of the Allan Line to modernize its fleet after 1890 was a direct result of the government's Atlantic policy.<sup>62</sup> This view was shared even by influential members of government. For example, the Minister of Trade and Commerce wrote to a colleague warning him bluntly that "until some satisfactory decision" could be made on the fast service, "no definite answer can be given as to what may be the prospect for the subsidizing of local lines of slow speed, or freight and passenger combined."<sup>63</sup> Indeed, even British observers recognized the problem. As the British shipbuilder, Lord Pirrie, observed, "the fact remains that today Canada is at a disadvantage because she has been looking for a subsidized fast mail service instead of energetically preparing her chief ports with those facilities which are essential to the progress and development of the shipping trade."<sup>64</sup>

Compounding the whole issue, there was a compelling political reason for *not* resolving the problem: the increasingly bitter intercity rivalries between Montréal and Québec for the right to become the summer terminus for the service, and between Halifax and Saint John for the winter business. It is impossible to go into this issue in any depth here, except to point out that these battles were potent considerations to governments that wished to remain in power. The rivalries even extended to Canada's heartland, where Ontario interests lined up behind one or another side on these complex issues in a classic illustration of Canadian regionalism at its worst.<sup>65</sup>

## **The Shipowners**

If we examine the post-1886 situation from the perspective of the late-twentieth century, it is hard to understand the apparent equanimity with which contemporaries accepted the decimation of the steamship fleets, and with them the country's maritime interests. Montréal lost two of its major lines, Beaver and Dominion, in only a matter of months, and both expired with hardly a whimper from business circles. Despite the fact that the shareholders saw the value of their investments plunge to only a fraction of their previous worth, there was no resolve to muster any sort of rescue. Equally, there were no editorials forecasting economic doom nor calls from Parliament to save a terminally-ill industry.

Why was this? Were the shareholders perhaps so wealthy that their losses were personally inconsequential? Did no one person hold sufficient shares to render the loss unacceptable? Had the shareholders already received sufficient returns on their investments to enable them to walk away in stolid resignation? Answers to these and similar questions would go far in helping us to understand the mood of the time. Unfortunately, we are a long way yet from thoroughly understanding them. Nonetheless,

we need at least to try to speculate about the reason that a major industry succumbed without generating much apparent concern.

In the first place, we should acknowledge that there appeared to have been little pride in the ownership of a steamship fleet, even one of the stature of the Allan Line. *The Gazette* (Montréal) about once a decade printed a full two or three columns in praise of this large concern, always copied from British newspapers, and then proceeded to ignore its own words. Perhaps the single incident that typifies this attitude best was when the Allan Line transferred those fifteen ships from Glasgow to Montréal registry in 1886: there was not even a mention in the local press. On a more general level, the lack of pride was exhibited in the annual reports of the Minister of Marine and Fisheries. These always contained a ranking of the world's major merchant fleets. Yet never once was an effort made to list those Canadian-owned ships *not* registered in Canada. And the inexorable decline of the fleet, in both absolute and relative terms, was printed without any notice or outrage.

One serious drawback, which may help to explain all this, was the absence of any established institution to speak for Canadian shipowners. There was no Canadian equivalent to the British Board of Trade, or Lloyd's, or the great English insurance companies which could be counted on to serve as counterweights to public apathy. And Canadian shipowners placed individualism over collective action: they were extremely dilatory in banding together for mutual support until it was too late to matter. Indeed, there was no organized voice for Canadian shipowners until 1903, when both inland and ocean shipowners finally formed federations. Typically, there was an organization for each: the Dominion Marine Association (DMA) for inland interests, and the Shipping Federation of Canada (SFC) to represent the concerns of bluewater owners. Of the DMA, one charter member, who happened in fact to be an ocean steamship agent, noted that "this is the first chance I have had of meeting the inland marine men of Canada."<sup>66</sup> The irony is that he was based in Montréal, literally down the street from many of the inland shipping companies.

The SFC, which quickly came to represent all the shipping lines operating to the country, was formed only after twenty years of informal existence as a loose organization. As such, it dealt with "a multitude of...interests to the [shipping] trade as a whole." As a newspaper article reported, "This method of proceeding has been found to have its inconveniences...in view of the fact that there was no individual who could officially speak for the whole, and it was difficult sometimes to get the trade to act as a unit." The new organization adopted a series of objectives that appeared to demonstrate its determination to cure all the industry's ailments in one fell swoop,<sup>67</sup> but it eventually became clear that "its principal motivation...was a most unsettling labour situation on the Montreal waterfront involving strikes, slowdowns, intimidations, etc." by groups of employees who had organized themselves first.<sup>68</sup>

Interestingly, the best trade journal devoted to Canadian transportation matters, *Railway and Shipping World*, founded in 1898, acknowledged a paucity of informed discussion about maritime matters when in 1905 it changed its name to *Railway and*

*Marine World*. It did this, the editors informed readers, "to more clearly convey the fact that we cover the mercantile marine field and represent the navigation as well as the railway and other allied interests."<sup>69</sup> But none of these organizations was in any way effective in the crucial years before 1903.

1903

The evidence available strongly suggests that Canadian steamship owners – or at least those left in the industry – seem to have accepted after the mid-1880s that it was unlikely that there would be any special assistance from government. Indeed, complaints or petitions presented to the federal government were far more likely to emanate from the increasingly hard-pressed sailing ship owners. As we have seen, from the mid-1870s ocean shipping matters and the problems of shipping in general were no longer priorities for the vast majority of Canadians.

Two events of paramount significance to Canadian steamship owners occurred in 1902-1903 to seal their fate. The first was the formation of J.P. Morgan's enormous, if ponderous, International Mercantile Marine (IMM). The other was the entry into North Atlantic shipping of the CPR. The latter had loomed as a threat for the previous decade and a half, but after the turn of the century became a reality. In fact, though, the two events were related, and both reflected an overall trend in the world economy toward concentration and monopoly.

It is hard in the late-twentieth century to imagine the impact of the formation of the IMM on international shipping. In Britain, it provoked a storm of controversy. In Canada, on the other hand, the response was strangely muffled. While some elements deplored its potential effect on the Canadian merchant marine, the majority were concerned solely with the impact it could have on Canadian railways, which historically had been vulnerable to events south of the border. The problem perceived by many Canadians grew out of the fact that in the US rail routes to ocean ports were generally shorter than in Canada. With Morgan controlling access to American ports, many believed that Canadian ports would be starved for traffic. Others argued that the inevitable conclusion of Morgan's plans would be his purchase of one of the Canadian trunk lines, most likely the CPR, in order to complete a continent-wide monopoly. Indeed, rumours had circulated in 1901 that the American financier was making such an effort. Such gossip was not staunchly denied by the fact that while CPR officials downplayed the possibility, they refused to issue an outright denial. Given these fears, it is not surprising that British and Canadian statesmen agreed that Canada's most important role in the empire's response to the American threat should be to maintain the independence of Canadian railroads from the Morgan combine.<sup>70</sup>

In response to growing speculation about Morgan's intentions, the Canadian government held a round of meetings with various railway and steamship authorities and decided that "the best way to fight the Morgan combine is through a company able to provide a trans-Atlantic fleet and transcontinental railway." The organization chosen to

implement this policy was not one of the nation's trans-Atlantic steamship companies, but rather its transcontinental railway, the CPR.<sup>71</sup>

Of course, it was not clear to participants in the series of government-business meetings that the CPR would become the chosen instrument. In general, it is difficult to ascertain the views of shipowners when the proposal was first broached. But in a rare substantive reference to the issue from the perspective of a Canadian steamship company, the Allan Line's Nathaniel Dunlop made it clear in a letter to the Prime Minister that his company, at least, was definitely amenable to a scheme that would increase government involvement in the private sector:

We have been very much gratified to learn...that you have in your mind a scheme for uniting the Trunk Railway interests of the Dominion in alliance with the Colonial and Imperial Governments and the steamship lines, this with the object of securing closer union of the colonial and imperial interests, and of establishing a satisfactory ocean service for mails, passengers and for cargo, staple and perishable...these arrangements being intended besides to countervail the Morgan US Combine and to secure Trunk Railway and Steamship services that could not be alienated from the British flag.<sup>72</sup>

Before long, Canadians were looking to "that courageous enterprise with which [Lord Strathcona] pioneered the C.P.R." Public support for the government was widespread in

promoting an all-British combine which will checkmate Mr. Morgan and maintain Great Britain in her place in the carrying trade of the Atlantic. The supreme moment in the fortunes of Canada has arrived...Here is a great policy for the benefit of Canada and the Empire.<sup>73</sup>

In considering the impact of the "Morgan octopus" on the reality of Canadian shipping, two principal factors emerge: the linking of railways in the overall equation of alternatives to be considered by Canada and the landward opportunities that this opened for Canadian capitalists; and the enormity of the capital invasion facing them on the North Atlantic. What effect did the enormous agglomeration of capital represented by the Morgan combine have on the decision by Canadian shipowners that North Atlantic shipping was no longer a promising sector for investment? No quantifiable answer is possible, but in considering the question it is impossible to separate it from the railroad issue. It has been argued that the "denizens" of Montréal, "like other Canadians, became enthusiasts for railways and landward growth rather than for oceanic ventures."<sup>74</sup> Faced with such a contest on the oceans — a challenge which not everyone believed could be repulsed successfully — it is hard to fault many Canadians for looking elsewhere for investment opportunities. It was not irrational to refuse to inject capital into a challenge

to Morgan and the British rivals, such as Elder Dempster, Furness Withy, and the Royal Mail Steam Packet Company, that his actions eventually spawned.

The first Hugh Allan had cast covetous eyes on railways; the CPR was to prove that in Canada, railways and shipping could indeed go hand-in-hand. But the result was that Canadians were now faced with a transportation monopoly that conceivably could control the carriage of all goods across the Atlantic and the continent, a web of facilities that could link consumer and producer under the aegis of one company. Potential investors in Canadian steam shipping can be forgiven for being uncertain of the ability of the older companies to compete in these circumstances.

This is especially true since the alternatives were eminently attractive. Indeed, investors were offered the opportunity of placing funds into railways. After 1902, Canada entered a period of massive increases in railway construction, sometimes referred to as the country's third railway boom.<sup>75</sup> In participating in this investment, Canadians helped to ensure the existence of an independent railway network across the continent, a goal which dovetailed nicely with Sir Wilfrid Laurier's political plans.

Thus, precisely at the time that the Morgan combine was raising the stakes on participation in Atlantic shipping, Canadians were receiving encouragement from all sides to divert investment into railways. As might be expected, this soon became a mania; indeed, Canadians began construction on not one but two new transcontinentals. There simply was not sufficient traffic to sustain three such lines, as shareholders found to their dismay during World War I when the two new companies encountered serious financial difficulties, had to be rescued by the government, and were eventually amalgamated into the first "crown corporation" as Canadian National Railways. But in 1903, the collapse of the new transcontinentals was fifteen years in the future — and meanwhile Canadian steamship enterprises languished.

## **Conclusions**

Canadians, as we have seen, did indeed enter the steamship trades, often with a vengeance. That they confined their activities to the Atlantic in no way detracts from their accomplishment in attaining a mastery of ocean trades. But besides this observation, there are some generalizations that can be made to help explain the fleet's gradual disposal.

In the first place, most Canadian steamship owners had taken an active interest in shipping even before the advent of steam. In many instances, they possessed a considerable network of friends and associates in Britain. Indeed, this connection was so strong that it often is difficult to distinguish between a Canadian and a British shipowner. Once shipowning had moved beyond the pioneering, family-dominated stage and began to employ professional managers, many Canadians tended to eschew active involvement. When Morgan's quantum leap in shipping concentration threatened to disrupt North Atlantic shipping, Canadians quietly bowed out of the fray. Many who left the industry doubtless entertained fervent hopes that Anglo-Canadian cooperation and the involvement of the CPR in trans-Atlantic shipping would adequately protect Canadian interests.

As the industry withered, there were not the widespread effects that might have been expected. This is because the steamship industry developed few linkages into the larger domestic economy. No industries in Canada gained orders in the heyday of Canadian steam shipping. Indeed, not one of the ocean-going steamships owned by the companies discussed in this paper was built in Canada. Further, not a single Canadian-built iron or steel steamer traded overseas for a Canadian (or foreign) owner prior to the First World War. Thus, even shipbuilders failed to lobby for a more effective Canadian presence in international steam shipping.

Many critics of government policy have laid the blame for the decline of the industry at the feet of politicians in Ottawa. Yet in fairness, it should be noted that the Canadian government was about as helpful as any other to its shipping industry, at least in the early days. Only after 1886, when a climate conducive to investment was allowed to wither by the fixation of politicians on the "fast Atlantic service," can we attribute any blame to Ottawa for its conduct. In large measure, Canadian shipowners had their destiny in their own hands, and whatever happened to their enterprises — at least up to 1902 — was largely of their own doing.

To what extent a "lack of enterprise" can explain the results is at best conjectural. But given the nature of the competition on the North Atlantic, especially after the formation of the IMM, and the immense range of domestic opportunities that beckoned, it is hard to fault those who put their capital into alternative sectors of the economy. While we may attack their concentration on transcontinental railroads, it is possible that Canada would be a very different country today had entrepreneurs not effectively blocked Morgan's proposed expansion into the hinterland.

The problems of Canadian transportation in my view boil down to one important point: Canadians have never tackled the issue in its entirety. Hugh Allan recognized the necessity of doing this in 1870, and the CPR came close to achieving his goal four decades later (in the process, it may be noted, taking over Allan's old steamship empire). Since that time, others have also recognized this flaw in policy-making. In Canada, an integrated transportation policy is perhaps more vital than in most other nations. The country today has one of the world's most successful domestic transportation networks, but it required a vast amount of resources to achieve it. The process was often inefficient, but the result was the creation of a breathing space which allowed the nation to exercise control over its own destiny. Even if Canadian steamships virtually stopped carrying the nation's exports to markets, experience has shown that there were many others willing to provide these services.

## NOTES

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*Mirror*, the *Journal of Transport History*, and *The Northern Mariner/Le Marin du nord*.

1. This paper is the product of research in a wide variety of archives over a period of ten years.



While all the failings are my own, I have great pleasure in acknowledging the invaluable assistance of Lewis R. Fischer in the transition from a conference paper in 1986 to its present form.

2. The speaker was Michael Clark, MP. See Canada, House of Commons, *Debates*, 23 March 1920.

3. Henry Fry, *The History of North Atlantic Steam Navigation* (London, 1896); James Croil, *Steam Navigation; Its Relation to the Commerce of Canada and the United States* (Montréal, 1898). The principal advantage of Croil over Fry is the former's inclusion of personal information on some of the seafarers who manned the ships. Fry's book, regrettably impersonal from one so intimately involved with the industry, is not nearly as valuable as it could have been.

4. Thomas Appleton, *Ravenscrag: The Allan Royal Mail Line* (Toronto, 1974). The watershed of Canadian confederation in 1867, when four provinces came together to form the nucleus of what is now Canada, has been ignored in this paper. To avoid confusion I have used the term "Canada" throughout to denote any area of British North America that eventually became part of Canada.

5. N.R.P. Bonsor, *North Atlantic Seaway* (5 vols., various, 1975-1980); David Lyon, *The Denny List* (4 vols., London, 1976); Charles Hocking, *Dictionary of Disasters at Sea during the Age of Steam, 1824-1962* (2 vols., London, 1969).

6. For readers unfamiliar with this terminology, Atlantic Canada refers to the four easternmost provinces in the country: Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. The St. Lawrence region is the area drained by the St. Lawrence River, and thus usually refers to Québec (and occasionally to eastern Ontario).

7. Eric W. Sager, Lewis R. Fischer and Rosemary E. Ommer, "Landward and Seaward Opportunities in Canada's Age of Sail," in Lewis R. Fischer and Eric W. Sager (eds.), *Merchant Shipping and Economic Development in Atlantic Canada* (St. John's, 1982), 22.

8. Ted. L. McDorman, *The Development of Shipping Law and Policy in Canada: An Historical Examination of the British Influence* (Halifax, 1982), 4.

9. See my article on the topic in *Seaports and the Shipping World* (January 1984) for a summary. This type of view was also reflected in a variety of newspaper articles at the time, culminating in a particularly important article in *Morning Chronicle* (Québec), 21 March 1872, from which the quote is taken.

10. See J.C. Arnell and K.S. Mackenzie, *Atlantic Mails: A History of the Mail Service between Great Britain and Canada to 1889* (Ottawa, 1980), chapter 11.

11. Canada, *Statutes*, 23 Victoria (1860), c. 5.

12. Mackenzie, *Seaports and the Shipping World* (April 1984).

13. Full details of this episode will be found in my "A Ready-Made Flotilla: Canada and the Galway Line Contract, 1859-1863," *Mariner's Mirror*, LXXIV, No. 3 (August 1988), 255-265.

14. Readers should not, however, make the mistake of believing that Allan was completely successful in integrating his steam and sail holdings. Indeed, on occasion the low homeward-bound rates he was able to offer on his steamers deprived his sailing vessels of cargoes and drove them elsewhere.

15. *The Gazette* (Montréal), 29 January 1875, reprinting an article from the *Journal of Commerce* (Liverpool). The *Buenos Ayrean* was actually an extraordinary vessel on other counts as well. See *The Gazette* (Montréal), 25 November 1879, and Lyon, *The Denny List*, I, 184.

16. Public Archives of Ontario, Campbell Papers, John Rose to Alexander Campbell, 25 November 1871.

17. See, for example, *Morning Chronicle* (Québec), 3 March 1872.

18. Canada, House of Commons, *Debates*, 30 June 1885. For a further example, see *The Gazette* (Montréal), 9 June 1880, which carried details on the voyage of *Buenos Ayrean* from Montréal to Glasgow with "one of the largest cargoes that ever left this or any other port," consisting of 1311 head of livestock and 29,400 bushels of grain.
19. Bonsor, *North Atlantic Seaway*, I, 296; *The Gazette* (Montréal), 28 November 1882 and 30 May 1893.
20. He was also an eager, if somewhat ineffective, witness before numerous British enquiries and royal commissions into shipping matters. It is through his various testimonies, and in his letters to the Canadian government, that we can trace Dunlop's increasing power over the affairs of the Allan Line.
21. There appears to be no logical explanation for this transfer. The ships, for example, operated on a cross-section of the company's lines. Not all the mail ships were transferred, so there was no bureaucratic reason involving the Canadian government behind the move. Neither were the shares, at least as listed on the registries, a clue. The Allan Line still operated on the sixty-fourths system at the time, and just over half the shares listed were owned in Britain. Whether or not this same pattern characterized the other vessels in the fleet remains to be seen. In short, it is at present impossible to explain these transfers, a difficulty that extends to most business decisions made by the partners.
22. Two of the ships were 10,000-tonners capable of fifteen knots, two of 8000 tons and twelve knots, and one of 8800 tons and fourteen knots.
23. *Montreal Herald and Daily Commercial Gazette*, 22 April 1872, 23 October 1872; *The Gazette* (Montréal), 27 September 1882.
24. *Montreal Herald and Daily Commercial Gazette*, 22 April 1872 and 8 July 1873; Bonsor, *North Atlantic Seaway*, II, 788.
25. *Montreal Herald and Daily Commercial Gazette*, 8 July 1873.
26. *Morning Chronicle* (Québec), 30 November and 14 December 1894 and 20 February 1895; National Archives of Canada (NAC), Record Group (RG) 20/1119/2690, H. and A. Allan to Postmaster General, 15 June 1895; NAC, RG 3-4/21, No. 9158, Torrance to the Post Office Department, 21 and 22 January 1895.
27. *Morning Chronicle* (Québec), 17 October 1896.
28. Croil, *Steam Navigation*, 229-230; *Montreal Herald and Daily Commercial Gazette*, 28 November 1873.
29. *Morning Chronicle* (Québec), 22 January 1875; Croil, *Steam Navigation*, 230.
30. *Morning Chronicle* (Québec), 29 March 1875, quoting the *Glasgow Daily Herald*, 6 March 1875; *Montreal Herald and Daily Commercial Gazette*, 31 May 1877.
31. Bonsor, *North Atlantic Seaway*, III, 972.
32. *The Gazette* (Montréal), 27 October and 2 and 3 November 1894.
33. The story of this company — known as the Quebec and Gulf Ports Steamship Company until 1880 — will be told in my book manuscript in progress, tentatively titled *Forty Hours from Frost to Flowers*.
34. The original list of shareholders, as well as documentation concerning the company's incorporation, can be found in NAC, RG4-C1/604, No. 591, Provincial Secretary's Correspondence.
35. See A. E. Outerbridge's speech on the arrival on its maiden voyage of the company's flagship *Bermudian*, quoted in *Royal Gazette* (Bermuda), 14 January 1905.
36. Bermuda Archives, CS4-2/2, Agent Ahem to Governor of Bermuda, 2 August 1877.
37. See, for example, *Morning Chronicle* (Québec), 29 January 1898; and Great Britain, Public

Record Office (PRO), Colonial Office (CO), 318/293, Sidney Olivier correspondence, March and April 1898.

38. It has been argued that ports that were major centres for the ownership of sailing vessels frequently had serious difficulties in making the transition from sail to steam. This point is discussed for both Canada and Norway in Lewis R. Fischer and Helge W. Nordvik, "Floating Capital: Investment in the Canadian and Norwegian Merchant Marines in Comparative Perspective, 1850-1914," *Scandinavian-Canadian Studies*, VII (1988), 17-42.

39. This statement was made by William Smith, the Canadian deputy minister of Marine and Fisheries, testifying before the British enquiry into manning levels. See Great Britain, Parliament, House of Commons, *Parliamentary Papers (BPP)*, LX (1896).

40. *The Daily Telegraph* (Saint John) 22 January 1898; *The Gazette* (Montréal), 20 March 1901. Data in the registers for the single-ship companies suggest that these profit claims were exaggerations.

41. See Lewis R. Fischer, "The Great Mud Hole Fleet: The Voyages and Productivity of the Sailing Vessels of Saint John, 1863-1912," in David Alexander and Rosemary Ommer (eds.), *Volumes not Values: Canadian Sailing Ships and World Trade* (St. John's, 1979), 119; and Eric W. Sager with Gerald E. Panting, *Maritime Capital: The Shipping Industry in Atlantic Canada, 1820-1914* (Montréal, 1990).

42. *BPP*, LX (1896), Memorial to William Smith from Saint John Shipowners, 12 September 1894.

43. See note 35.

44. The ships' registers are available at the Public Record Office in the United Kingdom, the National Archives of Canada and the Maritime History Archive at Memorial University of Newfoundland in St. John's. Registry of the steamers was transferred to Saint John in 1907 without any fanfare, much in the same manner as the Allans move to

Montreal twenty years earlier. The ownership of the sailing vessels managed by the Thomsons was markedly different from that of the steamers. In fact, except for the Thomsons themselves, of whom there were four at this time, few of the sailing ship investors held shares in the steamers.

45. NAC, Laurier Papers, C-874/153163, William Thomson and Company to Sir Wilfrid Laurier, 10 March 1909.

46. The contracted speed was ten knots, and the Thomsons were forced to write to the Department of Trade and Commerce that "this clause must be changed...our boats cannot average more than 8 or 9 knots...when loaded." They also told the government that had the company not been guaranteed the subsidy of \$1500 per round trip, they would have sent their ships to New York rather than to Saint John. NAC, RG 20/1162/5543, William Thomson and Company to Parmelee, 30 November 1897. The entire contract gained much notoriety within the department, where it earned the sobriquet of the "go-as-you-please" service.

47. The Battle Line ships were all named after ancient Greek battles. The material in this section is based largely upon stories in *The Daily Telegraph* (Saint John), 10 July 1896, and 29 January, 9 February and 30 June 1898.

48. *The Gazette* (Montréal), 8 September 1875.

49. *Ibid.*, 24 May 1873. This newspaper also remarked that Mitchell had "devoted himself earnestly to reforms greatly needed in the commercial and shipping interests of the Dominion."

50. Canada, Parliament, House of Commons, *Debates*, 17 February 1876.

51. *Ibid.* See also my articles in *Seaports and the Shipping World* (November and December 1985).

52. Canada, Parliament, House of Commons, *Debates*, 13 March 1876. Very few Canadian shipowners, whether they owned sail or steam tonnage, ever classified their craft with the English *Lloyd's*. Instead, most chose *Bureau Veritas*. Canadians

were convinced that the British system of classification had an inherent anti-colonial bias. See, for example, the testimony of R.R. Dobell, 31 March 1874, and Henry Fry, 14 April 1874, before the British Royal Commission on Unseaworthy Ships. But readers should note that Mitchell always insisted that the British were amenable to his efforts on behalf of Canadian shipping.

53. *Ibid.*, 17 February and 13 March 1876.

54. See, for example, Smith's testimony before the Imperial Manning Committee of 1894 in *BPP* (1896), XL, 554-618.

55. See my article in *Seaports and the Shipping World* (April 1985); and Mackenzie, "William Darley Bentley and the Burden of Canadian Unity: The Canadian and Brazilian Direct Mail Steam Ship Service, 1879-1883," *Journal of Transport History*, *Thkd* Series, IV, No. 1 (March 1983).

56. Sir Charles Tupper forcefully commented in 1879 on the value of the West Indies trade to Canada, but when it came time for a government to attempt to do something concrete about it, it was the British, under the urging of Sidney Olivier, that took action. See Canada, House of Commons, Parliament, *Debates*, 14 March 1879; and the sources in note 37.

57. This particularly unpalatable reality of Canadian political life found its expression in part in the squandering of thousands of dollars and untold time and effort by politicians in invariably futile efforts to establish bipartite trade between the St. Lawrence and France. Although no commercial pressure existed for such links, the efforts continued unabated until the defeat of the Laurier Liberals in 1911. This is a topic which I am currently investigating.

58. See Kenneth S. Mackenzie, "The National Policy and Canadian Shipowners, 1879-1883," *Seaports and the Shipping World*, April 1985. O Mary Hill, *Canada's Salesman to the World: The Department of Trade and Commerce, 1892-1939* (Montréal, 1977), gives some idea of the problems

before any attempt at unified management of subsidies or preferences.

59. Kenneth S. Mackenzie, "The CPR on the North Atlantic — The Origins," *Seaports and the Shipping World*, July 1986; and Mackenzie, "The CPR on the North Atlantic - The Realities," *Seaports and the Shipping World*, August 1986, give chapter and verse of the slow encroachment of the CPR into North Atlantic trades. Canadian Pacific first attempted to induce established shipping firms, particularly the Allans, to provide the expensive and risky fast Atlantic service; when that proved impossible, the CPR took hesitant and less than impressive steps to enter the arena by taking over the least effective lines in the Canadian trade. In the long run, it was clear that the CPR's hesitancy was the proper course.

60. These topics are discussed in Kenneth S. Mackenzie, "Canadian Transatlantic Mails 1889-1896," *Seaports and the Shipping World*, August 1985; Mackenzie, "Twenty Knots to Canada," *Seaports and the Shipping World*, September 1985; and Mackenzie, "The Fast Atlantic Service, Part II," *Seaports and the Shipping World*, October 1985.

61. The Conservatives signed with the Allans just as they were leaving office in 1896, but Parliament was prorogued before agreeing to the terms. The Liberals for more than twenty years flirted with the Anglo-Danish shipowner and promoter, William Petersen. See Kenneth S. Mackenzie, "Twenty Knots to Canada: The Petersen Gambit, Parts I and II," *Seaports and the Shipping World*, November and December 1985.

62. Fry, *North Atlantic Navigation*, 157: "Five years have been lost, during which most of the best traffic has been lost to New York for want of a Canadian fast line. The consequence to the Allans is that their business has been, to a great extent, paralysed; for it is one of the evils of the subsidy system that it necessarily injures all unsubsidized lines, and diverts a portion of their passenger and light freight traffic. To build fast and costly boats in such circumstances would have been madness, and thus the Allans have been compelled to jog

along for five years with their old boats, with this subsidy business hanging over their heads."

63. NAC, RG 20/1126/3200, Ives to Tupper, 23 December 1895. An even worse casualty over the fixation with fast service was the Quebec Steamship Company. The imperial government postponed providing it with a subsidy for a West Indies service at the request of Canada, which wanted any imperial money to go toward the fast service. See especially NAC, Laurier Papers, C755/21757-21759, Dobell to Laurier, 23 March 1898.

64. *BPP*, XI (1902), "Report of the Select Committee on Steamship Subsidies," 385. The inquiry was convened not because of Canadian problems but rather to enquire into the activities of J.P. Morgan in establishing the International Mercantile Marine Company.

65. The classic case of Montréal versus Québec, of French versus English-Canadian, and of Conservative versus Liberal, was often fought out vociferously in the press. These issues are discussed at length in Kenneth S. Mackenzie, "The Settlement Up the Creek: Some Aspects of the Montréal-Québec City Rivalry 1853-1913" (Unpublished paper presented to the annual meeting of the Canadian Historical Association, Montréal, 1985).

66. Thomas Harling, quoted in *Railway and Shipping World*, May 1903.

67. *Ibid.*, April and August 1903. Its aims were to "amalgamate ship owners and shipping agents and others interested in shipping into one association for the purpose of considering all questions affecting the shipping trade of Canada."

68. "The Shipping Federation of Canada, 75th Anniversary," *Fairplay International Shipping Weekly* (21 July 1978), 6. This was also conceded by contemporaries to have been the cause of the sudden organization, although many observers at the time also harboured the belief that rate-fixing was high on the association's agenda.

69. *Railway and Marine World*, December 1905.

70. For an assessment, see Vivian Vale, *The American Peril: Challenge to Britain on the North Atlantic 1901-04* (Manchester, 1984); and Mackenzie, *Seaports* (June 1986).

71. *The Gazette* (Montréal), 15 May 1902.

72. NAC, Laurier Papers, C-794/66201-66206, Dunlop to Laurier, 27 June 1902.

73. *The Gazette* (Montréal), 21 June 1902. Lord Strathcona, better known in his days of building the CPR as Donald Smith, was at that time Canadian High Commissioner in London. It is only possible to speculate how much influence his position had on the fortunes of the CPR at this critical juncture.

74. Gerald Panting, "Summary," in Lewis R. Fischer and Gerald E. Panting (eds.), *Change and Adaptation in Maritime History: The North Atlantic Fleets in the Nineteenth Century* (St. John's, 1985), 198.

75. T.D. Regehr, "Triple Tracking," *Horizon Canada*, VII (September 1986), gives a succinct account of this era.