

# A BRIDGE ACROSS THE WATER: LIVERPOOL SHIPBROKERS AND THE TRANSFER OF EASTERN CANADIAN SAILING VESSELS, 1855-1880<sup>1</sup>

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In May 1874 the 396-ton barquentine *Julia Fisher* slid down the ways of a shipyard in Moss Glen, New Brunswick. Subsequently registered on 30 May by a group of local owners, over the next three years the craft was utilized in fairly traditional ways, carrying cargoes between Canada, the West Indies and Britain. But on 24 February 1877 the six shareholders—John R. Rigby, Gilbert R. Prichard, Joseph F. Merritt, William Henry Hatheway, Jr., James J. Jordan, and Edwin Fisher—signed an agreement with an individual named George Bell. Normally a resident of Dublin, Ireland, Bell was at the time temporarily based in Liverpool, England. The contract empowered Bell to sell the barquentine "at any place outside the Dominion of Canada for a period of twelve months" at a price "not less than £2500." Just over three months later—on 5 May—he successfully negotiated a deal to transfer the vessel to a Dublin shipowner for £2875.<sup>2</sup>

George Bell described himself in shipping documents variously as a "merchant," "shipowner," "commission agent," and "shipping agent." But when he signed the agreement with the New Brunswickers he designated yet another occupation—"shipbroker." While the transaction in which he served as an intermediary was not in itself of any special historical significance, it was a component in a far more important process. Brokers like George Bell increasingly became essential to the transfer within a quarter-century of more than one million tons of Canadian-built wooden sailing vessels to new owners overseas.

Although the sale of craft built in Canada to foreign owners was hardly a new phenomenon by mid-century, the environment in which these transactions occurred altered significantly after about 1850. In the relatively staid shipping world of the first half of the nineteenth century, family and community connections generally were sufficient to facilitate the successful marketing of the bulk of the production of Canadian yards. In Prince Edward Island, for example, more than ninety percent of tonnage constructed in the 1840s was transferred to owners outside the colony, the vast majority to residents of the United Kingdom. Almost all these transactions appear to have been accomplished through a web of personal connections. The owners of major shipyards, such as James Peake and James Yeo, utilized family members in the United Kingdom as intermediaries with British owners. Other builders throughout British North America built upon similar relationships to locate buyers.<sup>3</sup>

But the creation about mid-century of a recognizably modern international economy, coupled with some important structural changes within the shipping industry, rendered the old

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system increasingly unworkable. The movement toward free trade, first in Britain and eventually in most of the world's major trading nations (although not in Canada), spurred the growth of seaborne commerce and increased the demand for carrying capacity to transport it. The short-term deficit in available tonnage attracted a host of new investors to shipping, many of whom lacked established sources from whom to purchase vessels. For these men shipbrokers were indispensable in locating suitable craft. Moreover, with the perfection of iron and steel sailing vessels, and the increasing viability of steam-powered ships, owners had many more options than in the past. Again, brokers were vital sources of advice and expertise in helping shipowners to make decisions about the purchase of tonnage. A corollary was that the fluidity of markets induced many builders in places like Canada to construct a higher proportion of vessels speculatively, without any firm sales contracts. In such instances, the assistance of shipbrokers was the most efficient method of locating potential buyers. All these shifts produced a demand for middlemen with the expertise to match buyers and sellers effectively. It was no coincidence that from the 1850s the number of shipbrokers increased dramatically.<sup>4</sup>

Although shipbroking became more central to the shipping industry after 1850, the profession was hardly new. Indeed, shipbrokers have existed in the western world for centuries. Prior to 1000 AD, Viking society included professionals called *brokunar-madr*, literally "go-between," who facilitated contact among shipowners, shipbuilders and merchants. In more modern times, there have been enough shipbrokers in most countries in western Europe since at least the seventeenth century to compel legislators to enact laws to regulate their activities. Yet since for most maritime transactions personal connections continued to suffice, the demand for brokers remained relatively constrained until the post-1850 revolution in shipping and trade altered the system irreparably.<sup>5</sup>

This essay therefore concerns an important profession, albeit one that has received virtually no scholarly attention. My principal concern here is with the role of these men in a significant nineteenth-century capital movement. Canadian historians are of course familiar with the large-scale infusion of capital into the young Dominion, a phenomenon which enabled the country to achieve the world's second fastest economic growth rate in the seventy-five years prior to the outbreak of World War I. But much less attention has been paid to the fact that Canada was also a significant exporter of *physical* capital in the form of sailing vessels. Shipbrokers were essential intermediaries in this transfer, especially in periods of depressed demand for the output of Canadian shipyards. As this paper will suggest, brokers appear to have been especially important in the second half of the 1850s and the late 1870s. We will explore not only the temporal dimensions of their involvement in facilitating the sale of Canadian-built sailing vessels but also some of the techniques involved.

Unfortunately, it is not particularly easy to study either shipbroking or shipbrokers. The biggest obstacle is that brokers have left relatively few private documents. Indeed, the industry-wide injunction against creating too many written records in many ways resembles a cultural proscription.<sup>6</sup> While insights into brokers' activities can be gleaned from public records, these are often imprecise, incomplete or ambiguous. Yet it is possible to use public shipping materials to unearth sufficient evidence to paint at least a broad picture of the role played by brokers in facilitating the movement of physical capital. This essay aims only to sketch this function in general terms. Moreover, it is directed at only a subset of brokers - those resident in Liverpool—and for only a relatively brief period, constraints necessitated by the volume of material to be sifted and by the fact that the larger project of which this study is a part is aimed at understanding international, rather than specifically Canadian-related, shipbroking. Yet it should not be inferred that these limitations in any way diminish the importance of the process being studied. Most brokers employed by Canadians in the second half of the nineteenth century were resident on

Merseyside, which was also the centre of the transfer market for Canadian-built sailing vessels. Similarly, the years chosen for this study correspond to the period in which Canada occupied a position of special significance as a provider of low-cost vessels for the overseas market. In short, this essay examines the activities of brokers in the most important market for Canadian-built craft during the ascendancy of British North American shipbuilding.

Before exploring the role of shipbrokers in the process of linking Canadian sellers with overseas buyers, we must understand what brokers do. Although the term has often been used indiscriminately by both contemporaries and historians, there are four tasks that historically have comprised the shipbroking function. These include vessel chartering (bringing together shipowners with consignors or consignees of cargo); facilitating entrances and clearances in ports (most frequently as a customs' broker); arranging ancillary services (including insurance cover and occasionally financing); and sale and purchase. In short, shipbrokers have always been quintessential maritime middlemen.<sup>7</sup> For the purposes of this paper, however, we can ignore the first two activities, since they had relatively little to do with the process of transferring Canadian-built vessels abroad.<sup>8</sup> Indeed, for most Canadian shipbuilders and shipowners by far the most important service performed by brokers was sale and purchase.

Although chartering activities unquestionably consumed more of a broker's time, it was the act of matching prospective sellers and purchasers of vessels which formed the financial backbone of most nineteenth-century brokerage houses. This was because of the value of sale and purchase contracts and the general structure of commissions in the industry. Even in a good year for freight rates, individual charters seldom yielded more than a few hundred pounds revenue for deals involving even the largest vessels. This was due principally to the prevailing commission structure, which ranged from about half of one percent of total revenue for short-sea voyages to as much as two percent for charters in certain specialized long-distance trades. By comparison, fees were generally in the range of five to six percent on the much larger sums involved in sale and purchase, and brokers were often able to collect commissions from both the buyer and the seller in a given transaction. By examining sale and purchase, we are therefore looking at the most lucrative component of a broker's income.<sup>9</sup>

To ascertain the role of brokers and the frequency of their employment in arranging the transfer of Canadian vessels, I have relied principally upon one large source: the Board of Trade (BT) 108 shipping registries and the transactions associated with them. These records require a brief discussion. The registries, which are being increasingly used by maritime historians, provide complete information on the vessel and its owners at the time the craft was launched. What is less appreciated is that from the mid-1870s they also afforded space for several subsequent transactions, which might involved a change in ownership; the alteration of the vessel's physical dimensions; or a variety of other pertinent factors. For our purposes, it is important to recognize that transactions often contain a wealth of information about the transfer of all or part of the ownership. More specifically, the transactions frequently name the shipbroker who was granted a power-of-attorney to sell the vessel or who advanced mortgage funds to keep the shipowner solvent while a buyer was sought. Quite often, the transactions required more room than was available on the original form. In these cases the registrar filled out a new form which was filed separately. Fortunately, the Maritime History Archive (MHA) at Memorial University of Newfoundland owns copies of not only all Canadian registries but also all surviving transactions. These registries and transactions form the backbone of this study.<sup>10</sup>

The MHA also possesses a complete run of Liverpool shipping registers. Since it is not feasible in the first instance simply to study all brokers, a decision was made early on to focus upon those resident in Liverpool. To answer the question of how important brokers were to the transfer of Canadian-built vessels, I have taken a random sample of fifty Canadian-built vessels

transferred to Liverpool registry in each quinquennia between 1855 and 1880. The vessels thus identified were then linked to the Canadian registries in order to obtain as complete a picture as possible of the transfer process and the individuals involved."

While this procedure provided a good deal of information, there are still gaps and problems of interpretation which the reader must keep in mind. Perhaps the most bothersome difficulty is with the source itself. Prior to the 1870s, there are very few extant transactions for Canadian-built vessels. This means that it is sometimes difficult to ascertain the precise role of brokers in the process. Although there are some mortgages recorded on the registries, there are almost no powers-of-attorney to sell a vessel in the Canadian registries before about 1871. While we can sometimes discern the intervention of brokers from the Liverpool registries, it remains the case that the figures reported below on the frequency with which Canadians utilized brokers in the 1850s and 1860s are extremely conservative estimates that almost certainly understate their actual involvement, since only if a broker extended a mortgage or actually bought shares in a vessel is he included.<sup>12</sup> For the 1870s, on the other hand, we can place more confidence in the numbers.

Unfortunately, the dearth of the transactions in the 1850s and 1860s is not the only problem. Equally vexing is the difficulty of identifying brokers. All the occupations found in the registries and transactions are self-designated; this means that the individual described (or his agent) chose the occupation to be listed. We know from previous studies of registries that this can introduce confusion, but with shipbrokers the dilemma is arguably more acute than with other professions.<sup>13</sup> This is because shipbroking has always been linked closely with a variety of other occupations, especially shipowning. Indeed, given the capital barriers inherent in shipowning, broking has traditionally been a convenient mode of entry into ownership.<sup>14</sup> In practical terms, the relationship between the two professions means that some individuals acting as brokers will almost certainly call themselves shipowners, or even merchants.

To circumvent this problem in the temporal analysis to follow, I have devised two categories to describe the involvement of shipbrokers. Those transactions listed as "définîtes" involve cases in which an individual designated as a shipbroker was without question involved. The second category, "probables," include those cases in which I have a strong reason to believe that a broker had something to do with a transfer but cannot prove it beyond a shadow of a doubt. In most cases this denotes the involvement of an individual who, although not listed in the document as a broker, has in fact been so identified in another record. It also includes a second group of individuals: those who behave in key ways like brokers. Most often, these are men who after purchasing a vessel attempt quickly to resell all or a significant part of it. While neither action definitively demonstrates that the individual in question was a shipbroker, both are highly suggestive.

With these conventions in mind, we can now turn to the first question: how frequently did Canadians seeking to sell a vessel employ the services of shipbrokers? The patterns are visible in table 1, which presents the results by quinquennia. In the second half of the 1850s, at least thirty-eight percent and perhaps as many as fifty-six percent of all transfers of Canadian-built vessels to the Liverpool register involved the use of a broker. The high proportion of "definites" is a reflection of the large number of brokers who actually bought all or part of the vessels in the sample. The estimates of broker involvement declined in the first half of the 1860s to between twenty-six and forty percent. While it is likely that there was a decrease in the use of brokers, it is also almost certainly the case that circumstances surrounding the American Civil War obscured their involvement in some of the transfers in the sample. The proportion of transfers involving brokers rose slightly in the second half of the decade to between twenty-two and forty-two percent. Although brokers were less utilized in the first half of the 1870s (twenty to thirty-two percent of

the time), they were relied upon most of the time in the second half of the decade (between sixty-two and seventy percent of all transfers).

Table 1  
Brokers and Transfers, 1855/1859-1875/1879

Quinquennium	Definite	Probable	Total
1855-1859	48%	8%	56%
1860-1864	26	14	40
1865-1869	22	20	42
1870-1874	20	12	32
1875-1879	62	8	70

Source: See text.

The patterns in table 1 suggest a likely explanation since they correlate well with trends in sailing ship freight rates, especially in the North Atlantic. Rates plummeted in the second half of the 1850s, reaching a nadir in 1859. Thereafter they rose until 1866. After declining slightly in the late 1860s, they soared in the early 1870s, peaking in 1874. They then underwent the most precipitous decline in history in the second half of the 1870s.<sup>15</sup> That this pattern reflects well the use of brokers by Canadian shipbuilders is not surprising, since freight rates were themselves strongly (although not perfectly) related to the level of demand for new and used tonnage. When North Atlantic freight rates were highest (early 1870s), the use of brokers was rare, but when freights were at low points (late 1850s and late 1870s), brokers became more common.

Given these patterns, how was ownership actually transferred from a Canadian to a foreign owner? Although the problems with sources (discussed above) make it impossible to be certain, it does not appear that there were significant changes in the quarter-century under study. For this reason I will discuss the process as though its essentials remained relatively constant over time. While this may introduce a slight distortion, it is unlikely to obscure significantly any aspect of the general process.

The first step obviously was for the owner to make a decision to sell the vessel. Such a determination might be reached independently or in consultation with partners or friends, or it might be induced by brokers soliciting business. Unfortunately, it is generally impossible to ascertain how or under what circumstances such a decision was reached. Yet one guide is the period between the time of first registry and the notation on the register that a shipbroker had been empowered to dispose of the craft. In some cases it is clear that the intention from the very beginning was to sell the vessel. The 275-ton Saint John brigantine *Claremont* was such a craft. Indeed, on the day it was first registered Jeremiah Smith Boies DeVeber empowered three Liverpool brokers to sell it for a period of six months. Even though no sale was made, DeVeber appears to have hoped that the brokers would eventually be successful, since almost three years elapsed before he cancelled the power-of-attorney. Other owners, however, had much longer time horizons. The owners of the 726-ton Saint John-registered barque *St. Patrick* operated the vessel for twenty-two years before deciding on 13 April 1893 to empower the broker Henry William Lowe to sell it. In under four months Lowe had successfully closed a deal to transfer the vessel to a Swedish shipowner, L. J. Björkegren. While most owners were obviously somewhere in the middle, what is noteworthy is that over time Saint John owners appear to have listed their vessels

for sale with brokers more quickly, even as the state of the market impelled them to operate their assets for longer periods.<sup>16</sup>

Having decided to sell, the next task was to find a broker. Although it is impossible to know in most cases how this was done, the evidence does allow us to make some fairly clear inferences. Despite the tone of impersonality that increasingly characterized the industry, it is clear that family ties remained important. An example was the Saint John shipowner, Gorham D. Steeves. When he decided in 1878 to sell his three year-old ship *Alexander MacKenzie*, the broker chosen to handle the deal was a family member, Gilbert Martin Steeves, who operated a firm in Liverpool. When James Moran decided in 1881 to dispose of the 1328-ton ship *Prince Eugene*, he turned to the Liverpool firm of Moran and Galloway; one of the principals was a relative, Robert Greer Moran. Where Steeves was unable to sell his relative's vessel, Moran was more successful, vending the ship to J. S. Denniston of Greenock within six weeks of listing it for sale.<sup>17</sup>

In some cases, however, it appears that reputation rather than blood determined the choice of broker. When the small Saint John shipowner, Joseph Lamb, wanted to sell his 328-ton brigantine, *Otter*, in 1876, he turned to Thomas Cutler Jones, one of Liverpool's leading brokers. Jones was able to sell the vessel within a year to interests in Dublin. The Vaughans, James and David Maurice, were also among the most important brokers in Liverpool. It is thus no surprise that the seven small owners of the Saint John-registered barque *Sunlight* should turn to them when they decided to sell in 1876. Ten weeks later the Vaughans were able to report that they had found buyers for the barque in Norway.<sup>18</sup>

There were also times when it is fairly clear that brokers solicited business rather than passively waiting for it to appear. One technique for doing this was for a broker to let it be known that he was willing to advance funds in order to obtain the right to sell a vessel. Most commonly, this was done through mortgages. This technique became especially prevalent as freight rates plummeted after 1874. For example, in 1879 Simon Vaughan, another of the Vaughan family to operate a brokerage firm on Merseyside, advanced a mortgage to two shareholders in the 1319-ton Saint John ship *Plantagenet*. The one-eighth share of the vessel that the two jointly owned was worth £850 at an interest rate of seven percent. It is fairly clear that Vaughan expected to be given the right to sell the vessel in return. In the end, he was not disappointed, since all seven owners granted him a power-of-attorney three months later. A year earlier the broker John Black advanced Luke Stewart, the Saint John owner of the 298-ton brigantine *Julia Lingley*, \$600 at six percent for the right to sell his vessel. Black was able to find a Glasgow buyer, and the brigantine was transferred to that port in July 1878.<sup>19</sup>

Yet another way that a broker could solicit a power-of-attorney to sell a vessel was by actually buying shares himself. Sometimes this amounted to a majority purchase, a guarantee that the broker could proceed to sell the vessel. Most often, such a purchase occurred after the vessel was first registered; the broker was thus not an original investor. A case in point involved the 328-ton Saint John brig *Otter*. A year after it was first registered in 1878, George Bell, who by this time had returned to Dublin, bought sixty shares; less than two years later, Bell had located Norwegian buyers for the craft. Upon occasion, however, the broker might be an original purchaser, an equally effective way of gaining control of the asset. David Maurice Vaughan was listed as an original owner of sixty shares in the 1334-ton ship *King Cerdic* when it was registered in 1874, having bought his shares from the shipbuilder, James Hamilton Moran of St. Martins. Although he disposed of a number of shares in small parcels, Vaughan remained an owner until the vessel was finally sold in 1886. When the sale did transpire, it was not surprising that Vaughan was listed as the shipbroker. Vaughan performed a similar role with the 1519-ton ship *King Cenric* in 1874. Within a year, he had sold off twenty of his original sixty shares to seven different buyers, but retained enough clout to continue to hold a power-of-attorney to sell the craft.<sup>20</sup>

After finding a broker, the next decision facing an owner who wished to sell a vessel was to set the terms. Occasionally this included specifying a minimum price. For example, in April 1875 C. W. Button, a Cape Tormentine, N. B. shipbuilder, granted the Liverpool broker William Torbet the right to sell his 205-ton brigantine *Charles W.* for "not less than £1600 st[erlin]g." In early 1876 Acalus Lockwood Palmer of Saint John empowered Simon Vaughan of Liverpool to sell the 311-ton barque *Speedwell* for a "sum not less than £1500 sterling." In September the same owner gave Vaughan and two partners the right to sell the 503-ton barquentine *A. L. Palmer* for "not less than £8 10s." per registered ton. On 4 February 1876 Charles A. Stockton of Saint John gave James and David Maurice Vaughan of Dale Street in Liverpool the power to sell the 324-ton brigantine *Wenonah* for a period of three months for "not less than \$12,500." When the Vaughans were unable to dispose of the vessel in the specified time period, Stockton renewed the agreement several times. While we do not know the eventual sale price, we can tell that the vessel was sold on 6 April 1877 and transferred to Liverpool. Later that same year it too was sold to Norwegian owners. Similarly, on 31 March 1877 Benjamin Vaughan gave William Thomson, a Liverpool shipbroker, the power to sell the eight year-old, 1163-ton ship *India* for six months "for a sum not less than £2500 Stg." Barely two weeks after the agreement was signed, Thomson sold the vessel to a group of Norwegian shipowners for an unspecified price, but presumably above the agreed minimum.<sup>21</sup>

Besides setting a price, the owner could also specify the time period for which the agreement was to be in force, a condition which almost always appears in the records. Ideally, a transaction would be concluded in a matter of months, but sometimes the search for buyers could stretch over a considerable period. The time within which Canadian builders and owners expected their assets to be sold varied more or less with the state of the market. In the 1860s and the first half of the 1870s, most agreements with brokers were valid for twelve months, after which they automatically became null-and-void. For instance, on 10 August 1874, George Hamilton Gerow, James Gerow and Jeremiah Travis of Saint John contracted with James and David Maurice Vaughan of Liverpool to sell the 1330-ton ship *Minnie H. Gerow* to owners "outside Canada within twelve months from the date of the certificate." In the second half of the 1850s and the late 1870s, both periods of slack demand, twenty-four or even thirty-six months became more common. In early 1876, when the resale market and freight rates had both turned sharply downward, Richard Calvert Haws gave a Liverpool broker twenty-four months in which to dispose of the 601-ton barque *Julia H.* On 2 April 1875 Robert Blair and John Douglas of Saint John gave Thomas Cutler Jones a full three years to sell their 495-ton barque *Lalla Rookh.* Perhaps the vessel that showed this trend most concretely, however, was the 604-ton barque *Sea Crest.* In the early 1870s the owners gave the Liverpool broker Charles William Jones twelve months in which to find a purchaser; when they returned to Jones in 1878 for another attempt, he was given twenty-four months.<sup>22</sup>

Once a broker had a listing for a vessel, his job, while fairly straightforward, still entailed several options. The most desirable of course was simply to find a buyer for the vessel as quickly as possible. For a Liverpool broker, it might be imagined that the easiest task would have been to locate a purchaser on Merseyside. Yet the number of cases in which this occurred without the broker himself as part of the purchasing group was surprisingly small. In 1874, for example, the broker William Torbet arranged for the sale of the 194-ton Saint John-built brigantine *Charles W. Oulton* to new owners in Liverpool for £1600. In the same year Charles William Jones received authorization from Robert Matthew, the owner of the 404-ton Saint John schooner *Robert McK. Spearing,* to sell the vessel outside Canada; on 25 April 1876 the vessel was sold and transferred to Liverpool.<sup>23</sup>

If the local market were glutted, however, brokers often had to look farther afield. For example, in 1858 Henry Curry and Charles Walford Kellock of Liverpool sold the 170-ton P. E. I. -built brigantine *Homer* to new owners in Jersey. The next year Robert Andrew Munn was the intermediary in the transfers of the Pictou brigantines *Hiawatha* and *Anemone* to new owners in Galway and South Shields, respectively. On 5 October 1863 William Quayle successfully sold the 668-ton Québec ship *Celuta* to owners in Bombay. In 1864, Laurence and Alexander Stoddart sold the 660-ton Saint John ship *Relief* to interests in Whitby. Richard Walsh of Fenwick Court, Liverpool, in 1869 sold the 261-ton P. E. I. -built brig *Black Prince* to owners in Dublin. On 13 July 1875 the owners of the 1034-ton Saint John-built ship *Bavelaw* empowered John Starr De Wolf and LeBaron Vaughan of Red Cross Street, Liverpool, to sell the vessel outside Canada for twenty-four months. Unsuccessful in locating a local buyer, in October they sold the craft to William Dixon of Newcastle-upon-Tyne. The next year, Charles Edward Robinson of Saint John asked George Bell to sell the 139-ton brigantine *Crescent*; on 16 October 1876 Bell sold the craft for an unspecified price to John and Thomas McCann, two merchants of Newry, Ireland. In February 1880, the Liverpool broker Richard M. C. Stumbles sold the 199-ton Prince Edward Island brigantine *Magic* for James Duncan, Robert Robinson Hodgson and John Fergusson Robertson of Charlottetown to Thomas Sutton of London. The same year, Stumbles also arranged the sale of the 199-ton P. E. I. -built brigantine *Scotsman* to George Howell of Londonderry.<sup>24</sup>

Especially in the 1870s, although occasionally earlier, the search for a buyer led outside the British Empire. In 1867, for instance, Philip Nelson and Thomas Henry Ismay of Liverpool sold the 511-ton Québec barque *Margaret Bias* to Norwegians. In 1874 David Lawson Cargill of Liverpool successfully sold the 131-ton P. E. I. brigantine *Clio* to Norwegians. Thomas McCarthy, a Saint John merchant, asked James and David Maurice Vaughan in 1877 to sell the 1355-ton ship *May Queen*. On 23 April, only six weeks after receiving this commission, the Vaughans sold the ship in Antwerp to Louis Retson, a Belgian national. The 1027-ton Saint John ship *Bonnie Dundee* was successfully sold to Norwegians in 1880 by the Liverpool broker, Edgar Pinchbeck Stringer.<sup>25</sup>

Often, either out of necessity or preference, the brokers themselves took some or all of the shares in a vessel. Sometimes a broker would retain shares as a way of facilitating a deal or because he was unable to sell a block of shares at a satisfactory price. More typically, however, brokers retained shares for more positive reasons. For some individuals, broking was an inexpensive avenue into shipowning. While there could be fairly high barriers to entry into shipowning, broking was a much easier profession to enter, requiring little more than an office with which to start. For many brokers, the recognition that profits, although highly variable, could be much higher in ownership was attractive. As well, many brokers retained shares for a more prosaic reason: the ownership of shares was seen as a long-term investment in chartering. A broker who owned several shares in a vessel could be virtually assured of getting its chartering business at little risk to his capital.

Regardless of the reason, the cases in which brokers retained shares are both numerous and continuous. The pattern was clear in the second half of the 1850s, for example. In April 1855 John and Ephraim Angel of Liverpool took twelve and four shares, respectively, in the 251-ton P. E. I. -built brig *Mary*, apparently retaining their holdings until the vessel was wrecked in 1858. In the same year the broker Archibald McGuffie bought forty-three shares in the 566-ton Saint John ship *Sea Witch*. The Liverpool broker Thomas Laffley in 1856 retained twenty-two shares in the 156-ton Saint John-built brig *Danube*, while Thomas Longrigg, also of Liverpool, held four shares in the 373-ton Québec barque *Kate Cleather*. In 1857 the brokers Lawrence and Alexander Stoddart jointly retained twelve shares in the 562-ton Saint John-built barque *Burita*, and Frederick Hillman Powell retained half of the shares in the 329-ton Saint John-built barque *Eliza Ann*.<sup>26</sup>

The pattern continued in the 1860s. Archibald Edmiston bought the entire 379-ton Saint John-built barque *Crimea* in February 1860. In May 1862 William Orr, along with two non-broking partners, bought the entire 901-ton Saint John ship *Aboukir*, which was sold to Glasgow later in the year. The 904-ton Miramichi ship *Baron Renfrew* was bought in April 1863 by the Liverpool brokers Robert Armstrong Capidy and William Nixon. In August 1865 Henry Frederick Curry and Richard Walsh purchased thirty-two shares each in the 305-ton barque *Golden Rule*, which had previously been registered in Halifax. In September 1868 Charles Walford Kellock took all of the 277-ton Saint John brigantine *Odalisk*, which he sold early in 1869 to Port Adelaide.<sup>27</sup>

In the 1870s the proportion of sales that involved brokers purchasing all or part of the shares increased. Indeed, thus far I have found over 100 separate instances of this behaviour during the decade, about twice as many as in the 1860s. For instance, Richard Joseph Sweeny of Liverpool retained twenty-one shares in the 262-ton P.E.I. brigantine *Florence* in 1870. Two years later William Thomas kept half the shares in the 740-ton Québec barque *North Star*, selling the other half to a Caernarvon timber merchant. While there is no evidence to show whether Thomas attempted to sell his shares over the next fifteen years, in 1887 he was listed as the broker when the barque was sold to Norwegians. In 1873 Thomas retained sixteen shares in the 809-ton Québec barque *Toronto*, as well as ten shares in the Halifax barque *Tranmere*. Alexander Coghill kept four shares in the 1337-ton *Amoor* when he sold it for Québec owners in December 1875. Frederick Goss Fry bought the entire 839-ton Québec barque *Rainbow* in November 1876, retaining it until he sold the craft to Norwegians in June 1888. Richard Straunton adopted the same strategy in June 1877 with the 218-ton P.E.I.-built brigantine *Ivan*, which he operated until he found a German buyer in 1883. Alfred Lewis Jones of Liverpool bought the entire 97-ton schooner *Lena* from Dorchester, N.B. owners in 1878, chartering it in the West African trade until it was wrecked.<sup>28</sup>

Unfortunately for the brokers, not all contracts with shipowners led to sales. Indeed, over half the time during this quarter-century the power-of-attorney to sell a vessel was cancelled because the broker had been unsuccessful in his search for a buyer. For example, on 10 August 1874 George William Gerow, James Gerow and Jeremiah Travis gave James and David Maurice Vaughan the power to sell the 1330-ton ship *Minnie H. Gerow* outside Canada for a period of one year. When no sale was made, the power of attorney was cancelled. Sometimes owners would try more than once to dispose of a vessel. On 13 June 1876 Joseph Bedford Read of Barronsfield, Nova Scotia, granted James Underhill Robertson of Liverpool the right to sell the 249-ton schooner *Busiris* for twelve months. When Robertson failed to find a buyer, the agreement was cancelled, only to be reinstated in August 1877. When the broker again failed to dispose of the vessel, Read apparently became resigned to operating it himself, which he did until *Busiris* was dismantled in a hurricane in October 1889. There were literally hundreds of other such cases.<sup>29</sup>

In the end, whatever else can be said about Liverpool shipbrokers in the third quarter of the nineteenth century, they were vital intermediaries in an important transfer of physical capital. Indeed, for Canadians it is difficult to conceive of an alternative in the more competitive post-1850 environment. Especially when demand was slack, as in the late 1850s and the second half of the 1870s, brokers were their best hope for finding buyers. Yet even when markets were more buoyant, brokers increasingly became essential. Shipbrokers had a greater range of contacts than even the most well-connected Canadian. Moreover, they also had the expertise that Canadian owners required. Although they could levy hefty fees, there is some evidence to suggest that by the 1870s the shipbroking community, at least in Liverpool, was sufficiently competitive to prevent outrageous charges. And because brokers were themselves often interested in owning shares, either to enter shipowning or to assure chartering income, they were also prospective purchasers of all or part of an asset. In short, an understanding of shipbrokers is essential in order to comprehend the way in which Canadians transferred their maritime assets abroad in the nineteenth century.

## NOTES

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2. Great Britain, Public Record Office (PRO), Board of Trade (BT) 108, Saint John, N.B. Ship Registries, 11/1874; PRO, BT 108, Dublin 8/1878.
3. This process is described in detail in Basil Greenhill and Ann Giffard, *Westcountrymen in Prince Edward's Isle: A Fragment of the Great Migration* (London, 1977). See also Lewis R. Fischer, "'An Engine, Yet Moderate': James Peake, Entrepreneurial Behaviour and the Shipping Industry of Nineteenth Century Prince Edward Island," in Lewis R. Fischer and Eric W. Sager (eds.), *The Enterprising Canadians: Entrepreneurs and Economic Development in Eastern Canada, 1820-1914* (St. John's, 1979), 97-118.
4. For a survey of the shifts at mid-century, see Lewis R. Fischer and Helge W. Nordvik, "Maritime Transport and the Integration of the North Atlantic Economy, 1850-1914," in Wolfram Fischer, R. Marvin McInnis and Jurgen Schneider (eds.), *The Emergence of a World Economy, 1500-1914* (Wiesbaden, 1986), 519-544.
5. The early history of shipbroking is discussed in Lewis R. Fischer and Helge W. Nordvik, "The Growth of Norwegian Shipbroking: The Practices of Fearnley and Eger as a Case Study, 1869-1914," in Lewis R. Fischer and Walter Minchinton (eds.), *People of the Northern Seas* (St. John's, 1992), 135-155.
6. One broker, who joined a major international firm in the interwar years, has described to the author the lengths to which this prohibition extended. During his first day of employment, he was informed by a secretary that the manager of his department refused to allow any written records of clients' telephone numbers. He was therefore instructed to commit all such information to memory. This pattern is discussed more fully in Lewis R. Fischer, "Profits and Stagnation: Fearnley and Eger and the Interwar Crises, 1919-1939," in Poul Holm, *et al.* (eds.), *The Northern Seas* (Esbjerg, 1993, forthcoming).
7. Shipbrokers should not, however, be confused with vessel managers (or managing owners). Although they frequently acted as managers, sometimes as shipowners in their own right and sometimes for a fee, in the strictest sense management and broking were (and are) distinct. While some brokers were also managers, most managers were not brokers.
8. Arranging cargoes was important in those cases in which a shipbuilder was attempting to cover costs by earning revenues on a transatlantic passage before selling the craft. While this was a fairly frequent practice, the evidence available at present is insufficient to show that the builders used shipbrokers to arrange cargoes. Indeed, given the web of interpersonal relationships in the Atlantic Canadian shipping industry, it is quite likely that most builders were able to secure cargoes without the services of brokers.
9. For a discussion of the structure of nineteenth-century shipbroking, see Lewis R. Fischer and Anders M. Fon, "The Making of a Maritime Firm: The Rise of Fearnley and Eger, 1869-1917," in Fischer (ed.), *From Wheel House to Counting House: Essays in Maritime Business History in Honour of Professor Peter Neville Davies* (St. John's, 1992), 303-322. The practice of collecting commissions from both the buyer and seller, which was widespread in chartering, also extended to sale and purchase, although at this point it is difficult to estimate with any precision its frequency.
10. For discussions of the evidence available in the registries, see David Alexander, "Objectives and Methodologies of the Atlantic Canada Shipping Project," *77ie Great Circle*, I, No. 2 (October 1979), 36-43; and Lewis R. Fischer and Eric W. Sager, "An Approach to the Quantitative Analysis of British Shipping Records," *Business History*, XXII, No. 2 (July 1980), 135-151. While most of the registry data was collected as part of the Atlantic Canada Shipping Project, the transactions were collected and analyzed separately after the conclusion of the project.
11. In addition, from previous work I was able to draw on a variety of examples from the registers and transactions of several eastern Canadian ports, especially Saint John, N.B. While this data is not included in the estimates presented in table 1, it is drawn upon in the discussion of the way that brokers operated later in the paper.
12. In the sample for this study, I have found only two powers-of-attorney to sell vessel in the period 1855-1859; one for the years 1860-1864; and four for 1865-1869.

13. See, for example, the discussion in Gerry Panting, "Cradle of Enterprise: Yarmouth, Nova Scotia, 1840-1889," in Fischer and Sager (eds.), *The Enterprising Canadians*, 253-271.
14. The relationship between shipbroking and shipowning is explored more fully in Lewis R. Fischer and Helge W. Nordvik, "Economic Theory, Information and Management in Shipbroking: Fearnley and Eger as a Case Study, 1869-1972," in Simon P. Ville and David M. Williams (eds.), *Management, Finance and Industrial Relations in Maritime Industries* (forthcoming, St. John's, 1994).
15. The only time series for North Atlantic freights that specifically measures the experiences of sailing ships is in Fischer and Nordvik, "Maritime Transport and the Integration of the North Atlantic Economy," table 6. While it differs slightly from the older Isserlis index—most likely because Isserlis included world trades as well as steamers—the two correlate well. See L. Isserlis, "Tramp Shipping Cargoes and Freights," *Journal of the Royal Statistical Society*, CI (1938), 53-134.
16. *Claremont*: PRO, BT 108, Saint John 1/1876; *St. Patrick*: PRO, BT 108, Saint John 44/1871. The trend toward listing vessels for sale more quickly later in the century also appears to be characteristic of owners in Québec. On the other hand, it does not appear to have been true of owners in Prince Edward Island or Yarmouth, the other two Canadian ports for which a significant amount of data from transactions has thus far been collected.
17. *Alexander MacKenzie*: PRO, BT 108, Saint John 53/1875; *Prince Eugene*: PRO, BT 108, Saint John 40/1867.
18. *Otter*: PRO, BT 108, Saint John 73/1873; *Sunlight*: PRO, BT 108, Saint John 56/1871.
19. *Plantagenet*: PRO, BT 108, Saint John 38/1869; *Julia Lingley*: PRO, BT 108, Saint John 69/1866.
20. *Otter*: PRO, BT 108, Saint John 3/1878; *King Cerdic*: PRO, BT 108, Saint John 53/1874; *King Cenric*: PRO, BT 108, Saint John 47/1874.
21. *Charles W.*: PRO, BT 108, Saint John 40/1874; *Speedwell*: PRO, BT 108, Saint John 4/1875; *A. L. Palmer*: PRO, BT 108, Saint John 12/1876; *Wenonah*: PRO, BT 108, Saint John 41/1875; Liverpool 111/1877; *India*: PRO, BT 108, Saint John 72/1869. William Thomson later moved to Saint John and became a major shipowner in the 1890s and the first decade of the twentieth century.
22. *Minnie H. Gerow*: PRO, BT 108, Saint John 24/1874; *Julia H.*: PRO, BT 108, Saint John 51/1874; *Lalla Rookh*: PRO, BT 108, Saint John 48/1864; *Sea Crest*: PRO, BT 108, Saint John 82/1870.
23. *Charles W. Oulton*: PRO, BT 108, Saint John 55/1874; *Robert McK. Spearing*: PRO, BT 108, Saint John 33/1874; Liverpool 77/1876;
24. *Homer*: PRO, BT 108, Prince Edward Island 54/1857; Jersey 23/1858; *Hiawatha*: PRO, BT 108, Pictou 36/1856; *Anemone*: PRO, BT 108, Pictou 21/1857; *Celuta*: PRO, BT 108, Québec 191/1860; *Relief*: PRO, BT 108, Saint John 98/1857; Whitby 7/1864; *Black Prince*: PRO, BT 108, Prince Edward Island 62/1866; *Bavelaw*: PRO, BT 108, Saint John 24/1870; Newcastle 31/1875; *Crescent*: PRO, BT 108, Saint John 6/1876; *Magic*: PRO, BT 108, Prince Edward Island 68/1876; London 20/1880; *Scotsman*: PRO, BT 108, Prince Edward Island 10/1876; Londonderry 2/1880.
25. *Margaret Biais*: PRO, BT 108, Québec 71/1857; *Clio*: PRO, BT 108, Prince Edward Island 12/1861; May *Queen*: PRO, BT 108, Saint John 14/1875; *Bonnie Dundee*: PRO, BT 108, Saint John 25/1861.
26. *Mary*: PRO, BT 108, Prince Edward Island 89/1854; Liverpool 146/1855; *Sea Witch*: PRO, BT 108, Saint John 43/1854; Liverpool 402/1855; *Danube*: PRO, BT 108, Saint John 22/1856; Liverpool 283/1856; *Kate Cleather*: PRO, BT 108, Québec 27/1856; Liverpool, 348/1856; *Burita*: PRO, BT 108, Saint John 180/1854; Liverpool 23/1857; *Eliza Ann*: PRO, BT 108, Saint John 18/1855; Liverpool 131/1857.
27. *Crimea*: PRO, BT 108, Saint John 161/1854; Liverpool 32/1860; *Aboukir*: PRO, BT 108, Saint John 47/1861; Liverpool 130/1862; *Baron Renfrew*: PRO, BT 108, Miramichi 20/1862; Liverpool 147/1863; *Golden Rule*: PRO, BT 108, Halifax 67/1862; Liverpool 233/1865; *Odalisk*: PRO, BT 108, Saint John 18/1866; Liverpool 165/1868.
28. *Florence*: PRO, BT 108, Prince Edward Island 45/1869; Liverpool 129/1870; *North Star*: PRO, BT 108, Québec 27/1871; Liverpool 27/1872; *Toronto*: PRO, BT 108, Québec 73/1872; Liverpool 29/1873; *Tranmere*: PRO, BT 108, Halifax 63/1872; Liverpool 71/1873; *Amoor*: PRO, BT 108, Québec 8/1875; Liverpool, 203/1875; *Rainbow*: PRO, BT 108, Québec 47/1876; Liverpool 156/1876; *Ivan*: PRO, BT 108, Prince Edward Island 55/1876; Liverpool 150/1877; *Lena*: PRO, BT 108, Dorchester 3/1877; Liverpool 146/1878.
29. *Minnie H. Gerow*: see note 22; *Busiris*: PRO, BT 108, Saint John 30/1874.