In late nineteenth-century Victoria, shipowning was an important activity for large- and small-scale entrepreneurs interested in enhancing their economic interests. Even with the advent of limited-liability companies, control effectively remained local. Yet the central role of shipowning to Victoria's economy has not been recognized by historians, who have concentrated instead on the larger corporate shipowners — such as the Hudson's Bay Company (HBC) and the Canadian Pacific Navigation Company (CPN) — or on select individuals, such as R.P. Rithet, who were involved in the formation of CPN in 1883. This portrait completely disregards the smaller players who owned modest vessels that operated without regular schedules, despite the fact that in the late nineteenth century approximately one-third of Victoria's tonnage was owned by such individuals, and much of the remainder belonged to companies and entrepreneurs of the second rank. Moreover, investors' motivations have not been investigated. Commercial vessels are a particular type of investment and various people likely acquired them for specific reasons that can be inferred from a systematic analysis of the port's shipping registers, which have survived from November 1860. This essay is based largely upon a quantitative analysis of these registries from 1883 to 1901 which reveals a complex shipping industry in BC’s first metropolitan centre during the last two decades of the century.

The period up to the mid-1880s occurred in the context of rapid economic growth, culminating in the completion of the Canadian Pacific Railway (CPR), which ironically also contributed to the end of Victoria’s commercial hegemony. During the expansion, newly-registered tonnage increased and the share owned by limited-liability companies more than doubled. Indeed, the creation of CPN — the leading owner of tonnage for the entire period — has been treated as the harbinger of an era of corporate concentration in BC shipping. But it was only towards the end of the era that other shipping firms were formed to profit from the Klondike Gold Rush. The organization of capital exhibited many characteristics of other Anglo-American ports. For example, the general trend toward concentration of ownership in Britain and Atlantic Canada was duplicated to a degree in Victoria. Similarly, the increasing ownership by joint-stock companies, primarily associated with steam, was first apparent in major ports such as London. Not surprisingly,
by the 1890s Victoria underwent a comparable shift: while limited-liability firms owned only 26.8% of tonnage for the entire period, this was concentrated in the latter decades. Of the thirty-six companies that appeared in the registries, most were Victoria-based; the exceptions were a firm in Golden operating paddlewheelers in the interior and a handful of British and eastern Canadian companies. A few enterprises dominated, with CPN, which accounted for almost twenty-seven percent of newly-registered tonnage owned by limited-liability companies, the largest. Unlike individual operators, CPN sought to limit competition. The Victoria-based companies which operated steamers during the Yukon Gold Rush were also different in that they attempted to raise capital in distant markets.

Figure 1: Victoria's waterfront in the 1890s. The variety of vessels is further evidence of the wide range of shipping investments.


The dominance of these firms was, however, far from complete. Despite its best efforts, CPN never enjoyed a monopoly over BC's coastal shipping. The owner/operators and rentiers who were important in the 1860s and 1870s more or less maintained their numbers, even if their relative share of tonnage decreased. Moreover, there were no professional managers. Instead, the old clique of merchants and diversified industrialists remained active in management as well as ownership.
Steamship companies were formed in BC as early as 1858, when the Victoria Steam Navigation Company was organized by some of the first businessmen to try to capitalize on the Fraser River Gold Rush. Falling profits led to amalgamation with some New Westminster competition to form the British Columbia and Victoria Steam Navigation Company (BCVSNC) in February 1860, when the Cariboo Gold Rush renewed traffic on the Fraser. The new company moved its head office to New Westminster and continued to operate steamers on the river into the 1870s. Despite the involvement of American and New Westminster investors, more than eighty percent of BCVSNC shares were owned by individuals from Victoria. Of the shareholders who can be identified, Robert Burnaby and Captain Hugh McKay later owned Victoria-registered vessels. The early involvement of Burnaby, McKay and other prominent Victoria residents is proof that the role of shipping was already recognized. More important, Burnaby's and McKay's later behaviour demonstrated a commitment to coastal shipping. Shipping investment in nineteenth-century Victoria had significance beyond that of venture capital. From the 1860s, individuals alternated between purchasing entire vessels, shares in vessels, or shares in steamship companies. Each choice had its own justification, with the decision depending on economic conditions and the liquidity of the investor.

For example, economic decline after the Cariboo Gold Rush mitigated against expansion in coastal shipping, and limited-liability steamship companies fell out of favour with Victoria investors. The 1870s were a period of competition on the principal coastal routes between the HBC, John Irving's Pioneer Line, and William Moore, a former owner/operator. Competition was keenest on the Victoria-New Westminster run and on the lower Fraser. Despite some well-known rate wars, the result usually was an agreement to limit competition. For example, in 1874 John Irving agreed to leave the Stikine River to the HBC in return for a share of the profits. By 1880 Irving and the HBC had attained a practical monopoly over steamboat traffic that William Moore attempted to break. By 1882 Moore was bankrupt and all serious competition, in terms of large steamers at any rate, was terminated. What the literature ignores is that there may indeed have been a form of competition for the two remaining companies. Throughout the period prior to 1883 a wide variety of individuals invested in Victoria-registered tonnage. Approximately forty percent were merchants or traders and many of the remainder were involved in primary or secondary manufacturing. Victoria's economy thus was not entirely dependent upon the regularly-scheduled steamers of the HBC, Irving, and Moore.

In an industry that attracted a broad range of investors, the formation of CPN in January 1883 was more than a mere formalization of the alliance between the HBC and John Irving. CPN attracted many of Victoria's leading entrepreneurs; as well as the HBC and Irving, who now combined their seven vessels into one fleet, the founding shareholders included R.P. Rithet; Thomas Briggs, John living's brother-in-law; Nellie Chandler, Irving's sister; William Kyle, an accountant; Thomas Earle, a merchant; William Spring, trader and sealer; and Robert Dunsmuir, a coalmine owner. This created a large integrated system of steamers, with the assured business of some of Vancouver Island's leading entrepreneurs, under the management of John Irving. Yet in its infancy
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CPN did not represent the full consolidation of shipping interests of even the economic elite of Victoria, and the company was soon confronted with renewed competition. Some of the most conspicuous rivals were individuals, the most formidable of whom was Joseph Spratt, the original owner of Albion Iron Works, who operated three vessels as the East Coast Mail Line. But within a year CPN bought out Spratt.  

Although CPN was now closer to monopolizing scheduled coastal steamer services, not all investors received the same economic benefits. The HBC, the only non-Victoria interest, was the largest investor with 615 shares. But the procedure at CPN meetings awarded votes using a weighted system that benefitted blocs of allied local shareholders. Each shareholder was given one vote for each of its first ten shares, an additional vote for every five additional shares up to one hundred, and another for every ten thereafter. As Peter Baskerville has noted, this enabled members of Victoria's business and social elite — Irving, the Dunsmuirs, Rithet, Thomas Briggs and others — who individually owned small blocks of stock, to use the HBC investments for their own ends. 11 This tactic did not escape the attention of the HBC. C.C. Chipman, the HBC commissioner in Winnipeg, warned the Secretary in London that "[t]he Navigation Company is apparently controlled at the present time by Mr. Rithet and Captain Irving, and I cannot disassociate from my mind the feeling that they derive more benefit indirectly than the Hudson's Bay Company does." 12 Another strategy employed by the major owners to control CPN involved family connections. Even before its formation, Nellie Irving, John's sister, accounted for more tonnage on the Victoria register than did her brother. Both Nellie and Jane Dunsmuir, mother of Alexander and James and widow of Robert, were shareholders in CPN. These women effectively used the rules to support John Irving and his allies.  

Although CPN aimed to reduce rivalry, it never succeeded, with the strongest competition coming from another limited-liability company with a similar strategy. The People's Steam Navigation Company (PSN) was incorporated in May 1884 and operated a steamer between Victoria and Nanaimo until 1889. A large portion of PSN shareholders were small businessmen. While Nanaimo shareholders far outnumbered those from Victoria, the latter accounted for more than forty-six percent of the shares in PSN's first year of operation. The largest single owner was the Victoria merchant firm of Turner and Beeton with almost twenty-seven percent of the shares sold in 1884. 13 John H. Turner and his partner, H. Beeton, were second-rank entrepreneurs who played managerial roles in PSN similar to John living's in CPN. In both firms, the interests of small investors were subsumed by the economic needs of some of Victoria's leading entrepreneurs. The pattern was more or less repeated in the 1890s. When the British Columbia Tug Company was incorporated in 1898, its directors included R.P. Rithet and James Lawson, the second and third leading owners of tonnage registered in Victoria between 1861 and 1901. 14  

A new aspect was added to the corporate structure of Victoria steamer companies in the late 1890s, when several firms were formed to pursue the opportunities afforded by the Yukon Gold Rush. Several steamers were registered in Victoria for operations on the Yukon River or on Bennett and Teslin Lakes. The memoranda of association of five
firms formed between 1898 and 1901 show that the directors included other owners of Victoria-registered tonnage, including John Irving, who began a new company named after himself following his resignation as manager of CPN in 1899. Among the surviving company records there are only two complete lists of shareholders for any of the shipping companies that operated in the Yukon or northwestern BC. Both British Yukon Navigation Company (BYN) and Canadian Development Company were owned largely by outsiders, even though control apparently remained in BC. In the case of BYN, all but five of the original 1000 shares were owned by one British company. The three remaining companies had directors in either Victoria or northwestern BC, but these men usually owned only a single share among hundreds or thousands. The structure of the boards of directors suggests a similar pattern of Victoria control using foreign capital. 16

The 1890s were a decade of decline in Victoria's manufacturing, and the incentive to invest in Yukon transport may have been to attain a good rate of return rather than to extend Victoria's transport dominance. Although there ostensibly was some Victoria control of the companies operating in the Yukon, the collaboration with outside capital was characteristic of the choices made by local entrepreneurs in the 1890s. The measure of control local business leaders asserted over foreign capital in CPN was attempted again in the Yukon companies during the 1890s, although authority was more thinly dispersed and the foreign capital more concentrated. The control exerted by CPN could not be duplicated by Victoria-based steamship companies operating in the North.

The Victoria-based limited-liability companies which had operated on the BC coast were another instrument by which Victoria's economic elite tried to build a transport system to serve its needs. The enterprises were essentially arrangements between established coastal shipping interests. The precedent of merging shipping interests in Victoria had been set by the incorporation of BCVSNC in 1860. The agreement between some of the major competitors prior to 1883 was a further indication of attempts to minimize competition. The establishment of a transportation net meant more than simply potential profit. To this end, local capital organized investment in the coastal shipping industry to minimize competition whenever possible. The purchase of East Coast Mail Line by CPN was part of this strategy to co-opt potential competitors throughout the century. J.H. Turner, the former manager of PSN and a partner in the merchant firm that was the company's major shareholder, appeared on a list of CPN shareholders from 1898, seven years before the firm was purchased by the CPR. CPN included most elements in Victoria's economic elite who would have benefited from easy access to the means of transportation. 18

There is, however, a danger in concluding that the economic significance of Victoria-based coastal shipping in the 1880s and 1890s began and ended with the CPN and other limited-liability companies. CPN, despite owning more Victoria-registered tonnage than any other entity, accounted for only about ten percent of tonnage between 1883 and 1901. 19 Admittedly, at any one time it may have owned more than ten percent of the Victoria coasting fleet because it had inherited the vessels previously registered by the HBC and John Irving, and several steamboats registered in Victoria were operated in
the interior of British Columbia. Some tonnage, though, was lost and the newly-registered vessels were replacements.

In any event, CPN was never the monopoly it has sometimes been portrayed. For example, Norman Hacking once described CPN as an invader in "a field which had long belonged to rugged individuals." While CPN may have had a near-monopoly on scheduled steamer traffic, this was only a small part of the story. The reality was that a significant portion of Victoria's transport requirement was provided by vessels owned by neither limited-liability companies nor members of the region's economic elite. If the formation of PSN were an attempt by a segment of the elite to co-opt small business, it was not a success. Nearly one-third of tonnage registered in the 1890s was owned by individuals living on the BC coast, predominantly in Victoria, who were neither large merchants nor shareholders in any of the steamship companies. A large proportion of the tonnage owned by this group was steam, a trend that went back to the 1860s (see figure 2). The increase in registered tonnage by companies, large merchants and leading entrepreneurs during the 1890s was matched by the growth in tonnage registered by rentiers, owner/operators and small investors. The roughly one-third share of Victoria tonnage owned by small owners during the 1870s and 1880s continued into the 1890s.

The varied ways that small owners used coastal vessels earlier in the century continued at least until the early 1900s. Specific details of how goods circulated along the coast are obscure, but with such a large percentage of tonnage in private hands, it is probable that there was less reliance on CPN than has been assumed. While there are no reliable sources for Victoria entrances and clearances for the 1880s or 1890s, it is likely that small owner/operators continued to sail to smaller centres not served by larger steamers. This conjecture is supported by a description of local shipping in the Cololist, which mentioned that in addition to CPN there were "a number of sailing [vessels] that trade between this port and the many islands that studs [sic] the East Coast." It is also likely that small owner/operators competed on major routes such as Victoria-New Westminster, but no evidence has survived. Still, E.W. Wright mentioned that in 1882 J.D. Warren launched two auxiliary steamers for sealing and trading along the coast; that same year two small screw steamers were built to serve the Fraser River Cannery.

Some of the individuals who owned these types of vessels were minor merchants whose motives would not have been dissimilar from their larger brethren like Rithet. Thomas Earle, a wholesale grocer who owned seven vessels of about 100 tons each, was a part owner of the Alert Bay Cannery in the 1880s. It is certainly conceivable that the vessels were used in both businesses. Merchants who operated on a smaller scale also purchased vessels. James Fell registered an auxiliary screw-propelled steamer of sixty-four tons in 1898. Fell listed his occupation as "merchant" on the registry but was listed as a grocer in the 1891 census. The small steamer likely was used to transport his goods, but beyond this the purposes to which it was put are difficult to discern.

Several owners of small industrial operations also purchased vessels as late as the 1880s and 1890s. Several sawmill operators on Vancouver Island invested in tonnage, especially in small auxiliary steamers. In 1898 the sawmill operators Sidney and John...
Leigh owned thirty-two shares each in a twelve-ton auxiliary. Other small manufacturers, such as the two iron moulders who each registered small screw-propelled steamers in 1898, also purchased vessels during the last two decades of the century. The purchase of a vessel may have reduced the transport costs of both raw materials and manufactured goods for small manufacturers. Even the blacksmith William Morris was the sole owner of an eight-ton steamer registered in 1888.

![Proportions of Victoria Registered Tonnage Owned Small Owners, and Large-Scale Owners by Decade, 1861-1899. Large shipowners are here defined as limited liability companies, shareholders of steamship companies, overseas owners and large-scale merchants.](image)

**Figure 2:** Proportions of Victoria Registered Tonnage Owned Small Owners, and Large-Scale Owners by Decade, 1861-1899. Large shipowners are here defined as limited liability companies, shareholders of steamship companies, overseas owners and large-scale merchants.

**Sources:** Port of Victoria Harbour Master, Register of Vessels, 1860-1866, BCARS CAA 30.27R 1; Canada, Department of Marine and Fisheries, Shipping Transaction Registers, 1841-1950.
Through the limited-liability steamship companies the Victoria business elite were able effectively to marshal capital from their own circle, and to some extent from foreign sources as well, to create a transport system to serve their interests. This did not encompass all coastal shipping, since small businessmen also invested in marine transport. The focus on CPN has obscured the fact that during the nineteenth century the ownership of BC coastal shipping was not highly concentrated.

Quick to exploit new opportunities and to integrate their many economic activities, Victoria's leading entrepreneurs borrowed methods from the major economic centres. On the other hand, the economy, if diversified, was largely small scale; most industrial establishments employed five or fewer workers. There remained many niches for those with limited capital; since these concerns also required transport, some entrepreneurs chose to invest directly in shipping. For a small entrepreneur, however, purchasing a single vessel or acquiring a partner made more sense than forming a limited company. Yet Victoria was unusual in Canada for the involvement of limited-liability companies. In Yarmouth, NS, for instance, a port which specialized in ocean-going tonnage, ownership was overwhelmingly concentrated in a small number of individuals, mostly merchants. The shipping firm was adopted very slowly there or elsewhere in Atlantic Canada, and not until the years just prior to World War I did limited-liability companies account for more than half of new tonnage registered on the east coast.

In Victoria the steamship company was an important model of capital formation in coastal shipping almost from the beginning of the region's post-fur trade economy. The domination of two companies came after the 1905 purchase of CPN by the CPR. The limited-liability company prior to 1905 was an option in how to organize shipping, but individuals often opted for alternatives. It took relatively little capital to purchase shares or even an entire coastal vessel. The trend of the 1880s and the 1890s towards limited-liability companies reflected the advantages that corporate organization represented to prominent businessmen with diversified interests. Many merchants who appeared on the registries less often by the 1890s were found as owners of limited-liability companies that bought vessels. Steamship companies aided them to create a transport system.

Similarly, smaller investors used little vessels to support and diversify other economic endeavours. The differences between shipowners at either end of the spectrum were of scale rather than kind. The strong local nature of Victoria shipping ended, though, on 12 January 1901, when residents learned that controlling interest in CPN had been sold. But by that time Vancouver had eclipsed Victoria, and shipowning was no longer as significant as it had been to Victoria's formerly dynamic entrepreneurial class.

NOTES

* David Farrell completed his MA in history at the University of Victoria in 1993. He is presently Registrar at the Nanaimo District Museum on Vancouver Island.

1. This article is based on my study "A Fleet of Shipowners: Shipping Investment Patterns in Victoria, 1861-1901" (Unpublished MA thesis, University of Victoria, 1993). Much credit goes to
my former thesis advisor, Eric Sager, whose questions provoked some of my conclusions.

2. The maritime history of the Hudson Bay Company stewardship of Vancouver Island has been treated either incidently, as in William J. Burrill, "Class Conflict and Colonialism: The Coal Miners of Vancouver Island During the Hudson Bay Era, 1848-1862" (Unpublished MA thesis, University of Victoria, 1987), or has been an exposition on the steamer Beaver, such as D. Pethick, SS Beaver: The Ship that Saved the West (Vancouver, 1970). On CPN see, for example, Norman Hacking and W. Kaye Lamb, The Princess Story (Vancouver, 1974); and Robert D. Turner, The Pacific Princesses (Victoria, 1977).

3. British Columbia Archives and Records Service [hereafter BCARS], Port of Victoria, Harbour Master, Register of Vessels, 1860-1866, CAA 30.27R 1; Canada, Department of the Marine and Fisheries, Shipping Transaction Registers, 1841-1950.


5. Sarah Palmer, "Investors in London Shipping," Maritime History, II (1972), 52. Palmer examines the period 1820-1850, which is earlier than this study. Most work on British shipowning focuses on the first half of the century, making a comparison with Victoria extremely difficult.


7. Turner, Pacific Princesses, 3; BCARS, GR 1438, British Columbia, Attorney General, Registrar General, Memorandum of Association of the British Columbia and Victoria Steam Navigation Company (BCVSNC); BCARS, Add. Ms. 1894, BCVSNC, bill of lading; J.M.S. Careless, "Lowe Brothers, 1852-70: A Study in Business Relations on the North Pacific Coast," in W. Peter Ward and Robert A.J. McDonald (eds.), British Columbia: Historical Readings (Vancouver, 1981), 286. The origins of the Victoria Steam Navigation Company (VSNC) are uncertain, and there may have been two companies with the same name. The Memorandum of Association of the BCVSNC is reproduced in place of that of the VSNC on microfilm in the records of the Registrar General." No documents directly related to the VSNC seem extant.

8. BC, Attorney General, Memorandum of Association of the BCVSNC. Due to the quality of the microfilm, not all shareholders' names are legible.

9. Hacking and Lamb, Princess Story, 92; Turner, Pacific Princesses, 4-6.

10. Hacking and Lamb, Princess Story, 93-94; Turner, Pacific Princesses, 11. Not all the original shareholders were mentioned.

11. Hacking and Lamb, Princess Story, 98, 103-104.

12. Hudson's Bay Company Archives (HBCA) A 73/5, folio 60, List of Shareholders and Articles of Association, Canadian Pacific Navigation Company (CPN); Peter A. Baskerville, "Deindustrializing the Island: Vancouver Island and the Industrial World, 1881-1901" (Paper presented to "Islands '86" Conference, University of Victoria, 1986), 10.

13. HBCA A 12/FT/213/1, C.C. Chipman to William Armit, 19 September 1891.

14. Hacking and Lamb, Princess Story, 104-106; BCARS, P ES P39, People's Steam Navigation Company Limited (PSN), Share Book, 1884-1885. The book lists the occupations of very few of the shareholders, but these include two farmers, two brewers, a baker, a drayman, a logger, a priest and a storekeeper. The vessel owned by PSN was not registered under its name, but under that of John H. Turner, a partner in Turner and Beeton.


18. Baskerville, "Deindustrializing," 14; HBCA A 73/5, folio 60, List of Shareholders, CPN.

19. Canada, Department of Marine and Fisheries, Shipping Transaction Registers, 1841-1950.


21. Canada, Department of Marine and Fisheries, Shipping Transaction Registers, 1841-1950. The figure of almost thirty-two percent of Victoria tonnage registered during the 1890s was determined by subtracting the tonnage owned by individuals not resident on the BC coast, shareholders of CPN or PSN, leading merchants and limited-liability companies. Only two vessels registered in the 1890s belonged to fishermen and only a few were owned by sealers. From 1893, at least four small schooners may have been built for racing; Terry Reksten, Century of Sailing, 1892-1992: A History of the Oldest Yacht Club on Canada's Pacific Coast (Victoria, 1992), chaps. 1-2.


23. Colonist, 1 January 1884. The islands referred to likely were in the Strait of Georgia.

24. As noted above the entrance and clearance books for Victoria from the 1870s to the turn of the century have not survived. Similar records for New Westminster and Vancouver are not in either the Vancouver Maritime Museum or the National Archives of Canada. The Colonist no longer reported extensively on marine news by the 1880s and the Victoria Times concentrated its reporting on deep-sea shipping and large steamers. Detailed evidence for the sailing patterns of small coasting vessels on the British Columbia Coast during the late nineteenth century does not exist.


29. The second company was the Vancouver-based Union Steamship Company; see Gerald Rushton, Whistle Up the Inlet (Vancouver, 1974).