THE BUSINESS COMMUNITY AND THE DEVELOPMENT OF VICTORIA, 1858-1900

by

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ABSTRACT

This thesis examines the role Victoria's business community played in the evolution of the city from fur trade post to metropolitan centre, and its subsequent decline as an entrepôt of provincial significance. During the years 1858 to 1900, a distinct group of businessmen emerged to play an active role in the growth of Victoria. In this study, their achievements and contributions to the city are related to its overall development.

Wholesale-retail, and commission merchants formed the nucleus of the business community during the gold rush era, which capitalized on a maritime trade connection with British based companies in San Francisco. During the decade 1880-1890, they broadened their interests to include real estate, mining, sealing, and salmon canning. Reflecting the commercial interests of the business community throughout this period was the British Columbia Board of Trade. Its activities are examined to illustrate the collective aspirations of merchant entrepreneurs and the economic influence they exerted upon the city.

Businessmen were also actively involved in municipal, provincial, and, to some degree, national politics. Their participation in local government is examined to ascertain to what degree merchants influenced the evolution of Victoria, especially in providing utility services.

Culturally, businessmen represented a major force in the social life of the city. This is particularly true during the period,

from 1880-1900, when social recognition resulted from commercial success. Contributions to the cultural development of Victoria and participation in civic organizations are identified as important indicators of wealth and prestige. An examination of cultural activities also help to identify some of the unique attributes of this group of individuals.

External factors also effected the degree to which businessmen influenced the development of Victoria. For example, during the period 1858-1864, Governor James Douglas initiated policies that promoted Victoria over its mainland rival, New Westminster. Moreover, during the gold rush, Victoria's commercial superiority was assured by virtue of its geographical location and established trading patterns. In this context the inability of merchants to halt the decline of Victoria during the decade 1890-1900 is examined. During this period Vancouver, which became the terminus of the Canadian Pacific Railway, replaced Victoria as the major commercial centre in British Columbia.

Finally, this study of the Victoria business community is placed in the general context of Canadian urban studies and provides a basis for further comparative research. Similarities and differences between the merchants of Victoria and those of other cities, such as Winnipeg, Toronto, and Vancouver are noted in order to determine the degree to which the experience of the business community in Victoria was unique.

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INTRODUCTION

In the larger context of Canadian urban studies, historians have begun to examine the role that the business community plays in the development of a city. A number of studies suggest that businessmen have influenced the growth and character of many cities. Forceful action on the part of these men, whether it be in the form of boosterism, innovative investment, or political lobbying may contribute to the molding of an urban centre, while, conversely, the lack of direct participation in civic affairs on their part may contribute to a city's demise.

This work has two purposes. The major one is to define and examine the role of the business community in the growth and decline of Victoria, with particular reference to economic, social, and political developments, in order to determine the nature of the impact businessmen had on their community. A second purpose is to describe the urban development of Victoria during the period 1858-1900 to facilitate comparisons with other urban centres by future researchers.

This thesis falls into the category of studies defined by Alan Artibise and Gilbert Stelter as "urban as entity,"[1] in that it deals with the development of Victoria in terms of the effects of one group of decision makers, the business community, upon the city as well as touching on some of the external factors which influenced its growth. A history of Victoria should also substantiate or reflect other studies, chief among them the metropolitan theses of J.M.S. Careless and

Norman S. B. Gras. Careless' definition of metropolitanism as "the emergence of a city of outstanding size to dominate not only its surrounding countryside but other cities and their countrysides . . . through control of communications, trade and finance"[2] can be applied to Victoria in regard to its relationship with the communities of Vancouver Island and the interior and coastal economy of the mainland during the period under study. Similarly, Victoria generally reflects the four stages of metropolitan evolution defined by Gras in 1922,[3] and examined by Stanley Ruzicka in "The Decline of Victoria as the Metropolitan Centre of British Columbia, 1885-1901."[4]

These themes are also being explored by urban geographers, who acknowledge a relationship between the growth of urban centres and their decision making groups.[5] An examination of the role of the business community in Victoria will help to explain why this city grew and was able to dominate the surrounding region. It will also parallel the conclusions drawn in similar studies of urban centres, thus pointing out trends common to the urbanization process.

These studies include Gerald Tulchinsky's analysis of the business community in Montreal between 1837 and 1853 which clearly shows how the city expanded its role as a transportation centre and attempted to promote manufacturing concerns. The motivation for expansion came from a business community that saw the need to harness new technology, such as railroads, in a way that would enhance the status of their city and expand its sphere of influence. Subsequently, they organized, directed, and invested in joint stock companies and banks that built

railroads, improved existing transportation facilities, and encouraged manufacturers to build factories in their city. This dynamic and far-sighted group of individuals substantially influenced the development of their city.[6] Moreover, by taking advantage of new technological developments the business community secured their city's future for "they were able to generate wealth and self-confidence for similar ventures during the later 1850's and well beyond."[7]

Similarly, D. C. Master's study, The Rise of Toronto 1850-1890, describes the role of the business community of Toronto during its evolution to metropolitan status, at the expense of rival cities, as well as the rivalry between Toronto and Montreal. He singles out a small group of businessmen as being instrumental in this growth and suggests they "formed the basis of Toronto Toryism," the philosophy that overwhelmingly represented the aspirations of all Torontonians, and was crucial to the economic success of the city.[8] Similarly, Brian Osborne's study "Kingston in the Nineteenth Century" suggests that the lack of diversity in the city's economy and the inability of the business community to attract the capital necessary to build vital transportation links, caused Kingston to lose its port status to Toronto.[9]

Research on urban centres in the Maritimes also offer parallels to the evolution of Victoria. There are geographical similarities, for example, which oriented commerce to maritime trade. British influence was important both in a social and an economic context, and cities like Halifax and Victoria both declined when external factors beyond the scope of the business community made established trading patterns and

business practices obsolete.[10]

C. M. Wallace examined eight men from the business community of Saint John in the mid-nineteenth century. Their primary concern was to develop a railway link between Saint John and Shediac in order to protect the manufacturing interests of Saint John. These businessmen eventually entered provincial politics where they successfully lobbied for their railway scheme. Wallace contends that "it would be claiming too much for them to suggest they determined [Saint John's] character, but they gave it vitality."[11] T. W. Acheson, on the other hand, has documented the failure of Maritime merchants to adapt successfully to changing technology and trade patterns.[12]

Studies of western communities have also explored the relationship between the business community and the success or failure of a city. In Winnipeg: A Social History of Urban Growth, 1874-1914, Alan Artibise defines and examines the role of a commercial elite in the city's development. He notes the overwhelming influence of this group upon Winnipeg's government, commercial, and social institutions. An important factor here is the support this group received from the general public in their endeavours, for "Winnipeggers were convinced that the most important feature in the economic life of a community was its commercial connections with the rest of the world."[13] Thus, transportation links, especially railroads, were encouraged with public funds to build in the city thereby enhancing its commercial status at the expense of other factors such as the physical and social environment.[14]

This theme is expanded by Artibise in "Patterns of Prairie

Urban Development, 1871-1950," which examines the growth of Winnipeg, Regina, Calgary, Edmonton, and Saskatoon. Artibise maintains that the role of groups and individuals is crucial in the development of a city. These groups were comprised of businessmen intent upon boosting the image of their cities as commercial centres, and one strategy used to carry out this policy was domination of local government councils.[15]

Robert McDonald reiterates this theme in his study, "Business Leaders in Early Vancouver, 1886-1914." He suggests that business interests controlled civic affairs in Vancouver particularly in the years following incorporation in 1886, for "having the largest personal interest in promoting economic development, business also served as the town's leading promoters."[16] As in Winnipeg, the community at large supported the policies of this group and consistently elected its members to public office. Tax dollars were used to promote the city and to increase its commercial status largely by encouraging industrial and transportation enterprises.[17]

At the same time McDonald notes the influence of external factors on the growth of urban centres. In "Victoria, Vancouver, and the Economic Development of British Columbia, 1886-1914," he shows how the decline of Victoria and the rise of Vancouver took place in the context of significant changes in the provincial economy. These changes included a shift from an "outward, [that is, maritime] to an inward [that is, continental] economic orientation." The Canadian Pacific Railway was an important factor in this change, but other elements such as different investment patterns and market locations were also important.[18]

These and other studies[19] explore the role of the business community in the growth of an urban centre. What emerges is a picture of active entrepreneurial groups who through concerted efforts influenced the growth of their cities. Quite often these efforts took the form of domination of government institutions through which businessmen were able to promote their particular visions. Businessmen were also energetic advocates of new technology; in the race to be biggest and best, cities had to adapt to and encourage the establishment of new transportation links, principally railways. J. M. S. Careless has pointed out that city growth can, in part, be seen as the interaction between the decision making of dynamic individuals or groups and technological change.[20]

A study of the business community of Victoria must take into account all these factors. Careless has suggested, in "The Business Community in the Early Development of Victoria,"[21] that a commercial elite did substantially influence Victoria's growth. This possibility is also explored by D. T. Gallacher in "Bureaucrats or Businessmen? Historians and the Problem of Leadership in Colonial British Columbia,"[22] but it is a theme which has not been dealt with in much detail.

The period under study is one of dramatic growth and gradual decline. The years 1858-1900 offered many opportunities for a business community to rise to prominence in city affairs and to leave a mark on the development of the city. The gold rushes to the Fraser and Cariboo made Victoria distinct among Canadian cities in achieving instant growth and prosperity so early in its evolution.

Many businessmen successfully weathered the depression that followed the decline of the Cariboo gold fields. Men who had previously catered to the transient population associated with the gold rush diversified their interests, and those who had initially been shopkeepers and importers began investing in real estate, the lumber industry, public utilities and, finally, fish canneries and sealing schooners. In fact, Victoria's businessmen came to dominate the commerce of the entire province.

In 1887 the Canadian Pacific Railway made its first run to its westerly terminus, Vancouver. Created under the auspices of the C.P.R., the establishment of Vancouver signalled the beginning of the end to the commercial supremacy of Victoria. Vancouver, with its superior transportation facilities, began to assume many of the former functions of the capital city. The years 1892-1900 were a period of slow decline for Victoria's commercial interests.

This thesis will document the manner in which the city's businessmen reacted to the changing economic climate of the period 1858-1900. The characteristics and composition of this group will be examined through three areas of study: the social, economic, and political contributions of the business community to the city. A number of representative businessmen will be studied in detail in order to establish the distinguishing features of the mercantile community. These men have been chosen as representative for several reasons. One is the availability of literature, both primary and secondary. Another is the fact that upon examination of contemporary sources, these men are

closely identified with the business community in a variety of capacities. Finally, these men are from diverse backgrounds and represent a number of facets of the business community. The entrepreneur as well as the merchant is represented, and this should reveal the extent to which the business community was a cohesive, self-contained group within the larger population of Victoria.

Footnotes

[1]Alan F. J. Artibise and Gilbert A. Stelter, Canada's Urban Past: A Bibliography to 1980 and a Guide to Canadian Urban Studies (Vancouver: University of British Columbia Press, 1981), p. xvii.

[2]J. M. S. Careless, "Frontierism, Metropolitanism and Canadian History," Canadian Historical Review, XXXV (March 1954), p. 79.

[3]N. S. B. Gras, Introduction to Economic History (New York: Harper, 1922).

[4]Ruzicka, "The Decline of Victoria" (unpublished M.A. thesis, University of Victoria, 1973).

[5]James T. Lemon, "Approaches to the Study of the Urban Past: Geography," Urban History Review, 2-73 (October 1973), pp. 13-18.

[6]Gerald Tulchinsky, "The Montreal Business Community, 1837-1853," Canadian Business History, ed. D. S. Macmillan (Toronto: McClelland and Stewart Limited, 1972), II, p. 126.

[7]Ibid., II, p. 138. See also Tulchinsky, The River Barons: Montreal Businessmen and the Growth of Industry and Transportation, 1837-1853 (Toronto: University of Toronto Press, 1977).

[8]D. C. Masters, The Rise of Toronto, 1850-1890 (Toronto: University of Toronto Press, 1947), p. 27.

[9]Brian S. Osborne, "Kingston in the Nineteenth Century: A Study in Urban Decline," Perspectives on Landscapes and Settlement in Nineteenth Century Ontario, ed. J. David Wood (Toronto: McClelland and Stewart Limited, 1975), pp. 159-62.

[10]See, for example, T. W. Acheson, "The National Policy and the Industrialization of the Maritimes, 1880-1910," The Canadian City: Essays in Urban History, eds. Gilbert A. Stelter and Alan F. J. Artibise (Toronto: McClelland and Stewart Limited, 1977), pp. 93-124. Also see the conclusion of this thesis for further comparison between Victoria and Halifax.

[11]C. M. Wallace, "The Saint John Boosters and the Railroads in Mid-Nineteenth Century," Acadiensis, XI, No. 1 (1976), pp. 71-91.

[12]Acheson, "The National Policy and the Industrialization of the Maritimes," pp. 93-124.

[13]Alan F. J. Artibise, Winnipeg: A Social History of Urban Growth, 1871-1914 (Montreal: McGill-Queen's University Press, 1975), p. 63.

[14]Ibid., p. 74.

[15]Alan F. J. Artibise, "Patterns of Prairie Urban Development, 1871-1950," Eastern and Western Perspectives, eds. P. A. Buckner and D. J. Bercuson (Toronto: University of Toronto Press, 1978), pp. 115-47.

[16]Robert A. J. McDonald, "Business Leaders in Early Vancouver, 1886-1914" (unpublished Ph.D. thesis, University of British Columbia, 1977), p. 320.

[17]Ibid., pp. 283-304.

[18]Robert A. J. McDonald, "Victoria, Vancouver, and the Economic Development of British Columbia," Town and City: Aspects of Western Canadian Urban Development, ed. Alan F. J. Artibise (Regina: Canadian Plains Research Center, University of Regina, 1981), pp. 32-55.

[19]For a comprehensive and current bibliography on studies in Canadian urban history see Artibise and Stelter, Canada's Urban Past.

[20]J. M. S. Careless, "Aspects of Urban Life in the West, 1886-1914," The Canadian City: Essays in Urban History (Toronto: McClelland and Stewart Limited, 1977), III, p. 127.

[21]J. M. S. Careless, "The Business Community in the Early Development of Victoria, B.C.," Canadian Business History, ed. D. S. Macmillan (Toronto: McClelland and Stewart Limited, 1972), I, pp. 104-23.

[22]Daniel T. Gallacher, "Business or Bureaucrats? Historians and the Problem of Leadership in Colonial British Columbia," Syesis, III, 2 (December 1970), pp. 173-86.

CHAPTER I

THE GOLD RUSH YEARS

The potential of the Victoria area as a regional centre was first recognized in 1843 when the Hudson's Bay Company selected the site for a trading post. Its first fifteen years were ones of slow growth and little change under the auspices of the paternalistic company that provided the lead in social and commercial endeavours. In 1858 this quiet lifestyle abruptly ceased as thousands of miners on their way to the Fraser River gold bars poured into Victoria to purchase supplies. Overnight Victoria became a thriving commercial centre, its fur trading days over. Although the fortunes of the settlement rose and fell in the years that immediately followed, discoveries in the Cariboo and elsewhere reinforced the role of Victoria as a supply centre for the adventurers of the mainland.

Defining and strengthening this role was a new group of individuals, a fledgling business community that came to Victoria seeking fortunes like the miners. The gold rush offered many business opportunities to enterprising merchants, and this made Victoria an attractive place. Unlike the transient miners, these individuals settled in the community and contributed to its commercial strength.

Commerical interests had originally attracted the Hudson's Bay Company to southern Vancouver Island. Captain William H. McNeil surveyed the Strait of Juan de Fuca in 1837; four years later

George Simpson, Governor of the Company, visited the southern tip of the island, and he was impressed with the potential of the area as a trade depot.

As altercations between the Hudson's Bay Company and American settlers in Oregon Territory continued, the Company decided to replace Fort Vancouver as the principal western depot of the fur trade. Chief Factor James Douglas was dispatched in March 1843 to select a location for the new fort on southern Vancouver Island. Douglas chose an area known as Camosack because it possessed a secure harbour, an abundance of timber, and relatively flat land. Work quickly began on Fort Victoria.[1]

It is not surprising that James Douglas chose this area as the site for a new Hudson's Bay Company fort. The rich natural environment had long supported the indigenous peoples of southern Vancouver Island, the Coast Salish. The Camosack region was the winter home of the Songhees, a Coast Salish group who had developed a harmonious and bountiful subsistence pattern based on the varied resources of sea and land. Douglas and his men encountered "a culture which over millenia had evolved the technological and social means of achieving a very close adaptation to their natural environment."[2] Yet the settlement of Anglo-Saxons immediately spelled an end to the native culture. Weakened by disease and threatened by superior weaponry, the Songhees quickly became subordinate to a culture that saw the indigenous people only as impediments to progress.

When the government of Great Britain decided to establish a colony on Vancouver Island, further Anglo-Saxon immigration became

inevitable. While the Oregon boundary issue was resolved in 1846, Britain feared American expansion northwards and hoped to forestall any such development by encouraging a British presence on the island. The Hudson's Bay Company became the agent of the Crown for settlement of the colony created 13 January 1849. While the charter of grant made the Company landlords of the island, the Crown reserved the right to appoint a governor and a colonial legislature for the purpose of administration in the civil jurisdiction. The Company was to provide civil and military establishments, public works, and other amenities. It was also required to establish a settlement in the colony by 1854.[3]

In this manner, Vancouver Island became a British colony and Fort Victoria its capital. In 1849 the first governor was appointed. The nineteen-month administration of Richard Blanshard, 9 March 1850 to 1 September 1851, served only to illustrate the fact that the Hudson's Bay Company, with its priority rights, was the more effective authority on Vancouver Island.

When Blanshard arrived at Fort Victoria in March 1851, he found only one independent settler, Captain Walter Colquhoun Grant; the rest of the inhabitants, some four hundred in number, were associated with the Hudson's Bay Company or its subsidiary, the Puget's Sound Agricultural Company, which operated four large farms around Esquimalt Harbour. James Douglas, in his capacity as Chief Factor at Fort Victoria, agent for the Puget Sound Agricultural Company, and land agent for the Hudson's Bay Company, was a much more powerful figure than the governor. When Blanshard resigned his appointment in September 1851,

Douglas assumed the role of governor.[4]

Influenced by the settlement schemes and theories of Edward Gibbon Wakefield, the Hudson's Bay Company and the British government intended to create on Vancouver Island a colony that would encompass all the best attributes of British society. Therefore, it hoped to attract settlers of high moral and social standard, while keeping squatters, paupers and land speculators out. The colonial office believed that "some of the worst evils that afflict the colonies have arisen from the admission of persons of all descriptions, no regard being had to the character, means or views of the immigrants."[5] The years following Douglas' appointment as governor seemed to promise fulfillment of this goal. While settlement was slow, Victoria did begin to assume an air of the old country. The Royal Navy was stationed at Esquimalt, some company employees began to settle permanently in the area, and gentlemen bailiffs were installed on the four Puget's Sound Agricultural Company farms.

In 1858 this orderly, leisurely growth ended abruptly. Alfred Waddington, an English merchant from San Francisco, found Victoria in the spring of that year "a quiet village of about eight hundred inhabitants. No noise, no bustle. . . . As to business there was none, the streets were grown over with grass and there was not even a cart."[6] Yet a few months later, Waddington reported an entirely different scene: "Victoria was assailed by an indescribable array of Polish Jews, Italian fishermen, French cooks, jobbers, speculators of every kind, land agents, auctioneers, hangers on at auctions, bummers, bankrupts, and brokers of

every description."[7] The reason for the drastic change, quite out of character with what the British government had hoped to create in its new colony, was the Fraser River gold rush.

The first and most obvious effect of the gold rush was the mass of humanity that flowed from the gold fields of California to the Fraser River via Victoria. There were two routes from the gold fields of California to the new El Dorado. An overland one was vigorously promoted by the towns of Oregon and Washington, which hoped to profit from the exodus by offering accommodation and supplies to the miners. Portland, Oregon, for example, advertised a route via the Columbia River and either of two interior routes leading directly to the mines.[8] An alternative route was a sea voyage from San Francisco to Victoria, where miners could outfit themselves before proceeding inland to the workings. This proved the most popular route, and twice as many fortune seekers preferred the water route to the more arduous overland journey.[9]

Victoria, the only British point of entry into the gold fields, became the destination of and major supply point for thousands of miners. The Commodore brought 450 eager men to Victoria in April 1858; in June the Republic deposited 800 passengers, and in July three more steamers from San Francisco, the Sierra Nevada, the Orizaba, and the Cortés added another 4,700 transients to Victoria's burgeoning population.[10] In a matter of months Victoria's population reached 20,000, and the town became a sea of tents. By September the population had dwindled to approximately 1,000, as miners proceeded to the gold fields of the interior.[11] Yet the effects of this influx on Victoria

were irrevocable. Signs of rapid and uncontrolled growth were evident everywhere. Dr. Carl Friesach, in the midst of a world tour in 1858, gave this picture of the boom town:

> The more active part of the town lies in the neighbourhood of the harbour, to which three streets lead. The houses, with one exception, are built of wood, and in such a flimsy manner that a hurricane would certainly carry the whole town away. The streets are not paved and are very muddy in rainy weather. At the South end of the town opposite the Hotel de France, lies the Hudson's Bay Company's fort, which is surrounded by a palisade enclosing also a warehouse. Further inland the town is mostly made up of tents. In the harbour there were three wooden wharves built by merchants of the town who charge a toll to the ships which tie up to them.[12]

Dr. Friesach's narrative reveals another important consequence the gold rush was to have upon Victoria, the introduction of free enterprise to the colony. While the Hudson's Bay Company had received a monopoly of the trading privileges with the native Indians, it had assumed a virtual monopoly on all the trade that went on in the small settlement in the absence of any other merchants on the island. This changed radically when merchants and "people of good standing" followed the miners to Victoria. In one six month period some two hundred stores sprang up in competition with the Hudson's Bay Company.[13] James Douglas, as both governor of Vancouver Island and chief factor of the Hudson's Bay Company, found himself caught in a situation of conflicting interests. At the same time the arrangement between the Company and the government of Great Britain became unrealistic in the face of rapid growth. In November 1858 the mainland became a colony in its own right, and upon severing his connections with the Hudson's Bay Company, Douglas

became the governor of British Columbia as well as Vancouver Island. The latter colony was reconveyed to the Crown in May 1859.[14]

Victoria's sudden cosmopolitan population had another pronounced effect upon the settlement. While the Hudson's Bay Company had held sway on the island a strict social hierarchy had existed. At the peak of the pyramid stood James Douglas, the chief factor, who was followed by his senior and junior officers, while the employees of the Company and its subsidiary were ranked considerably lower. The officers of the Royal Navy were welcomed into this social circle as were the bailiffs of the Puget Sound Agricultural Company. This was quite in keeping with the advice James Douglas had received from the Company's London office which suggested "the object of every system of colonization should be, not to reorganize society on a new basis, which is simply absurd, but to transfer to the new country whatever is most valuable and approved in the old so that society may, as far as possible, consist of the same classes united together by the same ties. . . ."[15]

While the gold rush did not immediately change the entrenched social order it certainly added another dimension to it. Suddenly Victoria was awash with people from diverse social backgrounds. There were respectable merchants intent on improving themselves and their families through hard work and industry; there were also people of a more shady quality who intended "to speculate, to sell goods, to sell lands, to sell cities, to buy them and sell them again to green horns, to make money and begone."[16] Moreover, Douglas was apprehensive that the majority of Victoria's new residents represented an "anti-British

element." For the most part the miners were American, but Douglas misjudged a number of Victoria's new inhabitants, for while many merchants came to Victoria from San Francisco, they were often British, Scottish, and Irish in origin.

In contrast to the merchants, who tended to become permanent residents of Victoria, the mining population was largely transient, and once the lure of gold diminished in the Fraser River and the Cariboo, they tended to drift away in search of better prospects. The merchants, in part, remained to form the nucleus of a middle class; it is this group of individuals who would promote for Victoria a commercial role initially based on servicing the gold rush.

Although the gold rush was the dominant force shaping Victoria's role as a mercantile centre, geographical good fortune was another factor. It was geography that had initially persuaded the Hudson's Bay Company to build its new fort on the southern tip of Vancouver Island, and it was this settlement that gave Victoria a semblance of civilization in 1858. And if Victoria's inner harbour was somewhat shallow and narrow, nearby Esquimalt harbour was commodious and deep. By comparison, the mainland's new capital of New Westminster was emerging slowly from a forest of Douglas fir trees, and access by way of the Fraser River was poor. Geography played an important part in the initial stages of Victoria's economic development, for nearly twice as many miners chose to come by the water route to the gold fields, thus making Victoria their first port of call and their supply centre.

This economic growth was evident by 1863, at which time the

shift from a paternalistic economy based on the fur trade to a commercial entrepôt was fully accomplished. The wooden palisade of the fort was torn down in the winter of 1858, symbolizing this change. In 1862 Victoria was incorporated, and a year later the city's population began to level out at about six thousand after several years of wild fluctuations.[17] Hotels, brick buildings, and warehouses reflected Victoria's growing commerce. The British Columbia and Victoria Directory for 1863 claimed that "at no time since the excitement attending its first settlement in 1858 has Victoria made greater strides, or her prosperity so materially increased as during the past year. Her true position as the centre and headquarters of commerce north of the Columbia has been placed beyond a doubt."[18]

Victoria's port cleared virtually all the merchandise that entered the island and the mainland. While the gold fields were located in British Columbia, the island city dominated trade, and the amount of goods imported directly through New Westminster was negligible; in 1863 not one importing house existed in the mainland capital.[19] This role as distribution and supply centre made it possible for Victoria to control the commercial activities of the province and to develop a metropolitan relationship with the mainland.

The early economic functions of the city were reflected in the business community. Peter McQuade, for example, established a ship chandler's business as early as 1858. Prompted by the complaints of ship captains who were annoyed over long delays in receiving goods from San Francisco, McQuade first set up his business in a tent before moving

into a brick building on Wharf Street in the heart of the business district.[20] Thomas H. Tye, Carlo Bossi, and Mifflin Wistar Gibbs were some of the city's first provisioners. Jacob Hunter Todd operated a produce market with another Victoria merchant, John Herbert Turner, in 1863. After leaving the city to take advantage of business opportunities in Barkerville, Todd returned to settle permanently in 1873 and at that time established a wholesale grocery firm. J. H. Turner later formed a partnership with a Mr. Beeton that dealt in wholesale dry goods and insurance.[21]

Especially indicative of Victoria's entrepôt status and coastal location were the number of early merchants who dealt in the Eastern tea, coffee, and spice trades. James Fell, a tea merchant in partnership with John Finlayson, opened a spice and coffee firm in 1859. After trying his luck in the Cariboo and Big Bend gold rushes, Thomas Earle became a Victoria spice merchant, and in 1867 he and his partner James Rueffe operated a grocery store. Simon Leiser, similarly attracted to the province by the gold rush, became both a coffee and spice merchant and a pioneer in the wholesale grocery business.[22]

In addition to these types of business were the commission agencies. The import-export houses capitalized on both of Victoria's economic functions. Through the agencies of merchants like Robert Beaven, Robert Burnaby, Joseph Johnson Southgate, Robert Ward, Robert Patterson Rithet, and James Lowe, goods were distributed to the gold fields throughout the colony. In addition, the business community attracted real estate agents like Henry Frederick Heisterman and

Leopold Lowenburg. Auctioneers J. A. McCrea and the Franklin brothers, Selim and Lumley, were important components of the mercantile community, which retailed many of its goods at auction. There were also a number of tobacconists highly visible in this early group of merchants such as Adolph Sutro and his sons, Emil and Gustav.[23]

Victoria's commercial bias was also reflected in the comparatively small amount of manufacturing that took place in the city. By 1862 the manufacturing and processing interests numbered five breweries, a tannery, a sash and door complex, and a few sawmills. Aside from the Hudson's Bay Company, the Puget Sound Agricultural Company, the Victoria Gas Company, and the Victoria Water Works, there was little manufacturing investment in the city, especially by individual businessmen. One year later one ironmonger, two brass founders, a boiler maker, and a soda water manufacturer were added to this segment of the city's economy as well as two ship builders, and eight carriage and wagon makers, the latter reflecting both Victoria's growing social sophistication and the increasing number of roads in the two colonies.[24]

The mercantile community emerging in these early years of the 1860s was highly diversified. The 1863 British Columbia and Victoria Directory reveals a collection of names that makes Alfred Waddington's early observations of the city an understatement. There were Polish Jews, Italian fishermen, and French cooks present but there were also Italian and French merchants, German businessmen, and Jews of all nationalities. A segment of the business community was American and included several Black merchants. A variety of motives drew men from

many sources to a predominantly British city where they introduced what one historian maintains is today a cosmopolitan air in a city which would otherwise have remained narrowly provincial in outlook.[25] However, despite the ethnic diversity that existed, commercial enterprise was dominated by the British element. A close examination of the American presence in Victoria makes this point clear.

A casual observer during the gold rush years would suggest that despite its British origins Victoria was a city very much influenced by American culture and business. American flags were flown and American holidays were celebrated by the population. Transient miners tended to be American in origin and the gold fields were dominated by "the Californian" who was "everywhere present, everywhere respected, everywhere vital. . . ."[26] These miners who constituted the bulk of the business community's market, shipped their gold back to the United States via American firms in Victoria. The government assay office and mint, built in New Westminster, 1859-60, to try to keep some of this money in the colonies, never became a viable enterprise. Moreover, John Nugent, an American agent sent by his government in 1859 to "infuse the spirit of subordination to British law among American citizens," found Victoria "very prettily situated, filled with a highly intelligent and enterprising American population [and] destined to become a place of some consequence."[27] His claim was somewhat justified, for the first Victoria newspaper, the Victoria Gazette, was launched by James Towne and Company of San Francisco in 1858. It was edited by two California newspapermen: H. C. Williston and

C. Bartlett. William Ballou of California operated the first express company in the colony, and Wells, Fargo, & Co., the well-known California bankers and express agents, was represented in Victoria by E. C. Pendergast. There were also a number of prominent American businessmen in the city's business community.

One such person was William Parsons Sayward. Born in Maine in 1818, he was drawn to the West Coast in 1849 where he was a carpenter and a lumber merchant. In 1858 he was among the first arrivals in Victoria, but unlike many others, Sayward came to make his fortune in lumber rather than gold. His first enterprise was a lumber yard on Wharf Street. In 1861 he expanded his interests to include a sawmill at Millstream on the Shawnigan River, which had been built by one Henry Shepard and was then cutting one and one-half to two million feet per year. Sayward became a successful lumberman, but although he married a Victoria woman, built a home in the city, and purchased a second mill at Rock Bay in 1878, Sayward continued to maintain close ties with San Francisco, his second home, where much of the lumber from his mill was marketed.[28]

Another successful American businessman was Mifflin Wistar Gibbs. He arrived in Victoria in June 1858, one of thirty-five Blacks who hoped to find in the British colony the racial and political tolerance that had been denied to them in the United States. Their reception in Victoria was heartening, and the leaders of this group, including Gibbs, decided that Victoria would make a suitable home for the three or four hundred individuals who were interested in both gold

and liberty in the British colonies. Yet Gibbs was equally interested in the commercial advantages offered in Victoria; the firm of Gibbs and Lester, which dealt in groceries, miners' provisions, boots and shoes, was the first such enterprise to be established in the colony independently of the Hudson's Bay Company.[29] Nor were other Black residents less susceptible to the commercial advantages of Victoria, for a substantial number became merchants, and Nathan Pointer, for example, opened a large clothing store in Victoria soon after he arrived from San Francisco in 1858.[30]

/Despite the presence of American merchants in Victoria's business community, it would be a mistake to suggest, as Nugent did, that Victoria was "filled" with an American population. Although many merchants came to Victoria from California, and especially San Francisco, the majority were not Americans but were of British descent, and they were often representatives of British firms that operated in San Francisco. This became especially evident as the gold declined. Just as the miners moved on to the next El Dorado, so too did many American merchants; the Black community, for example, left Victoria after the abolition of slavery in the United States. By 1881 American born residents constituted only twelve percent of the population of the city and Americans like Pendergast and Sayward who remained in Victoria were exceptions to the rule. Moreover, only a minority of Americans who emigrated tended to retain their citizenship. What did continue, however, was a pattern of trade between Great Britain, San Francisco, and Victoria.[32]/

Victoria was in many ways an extension of San Francisco. Trade had begun to flow southward earlier than the gold rush when the Hudson's Bay Company exported coal to California markets. After 1858 lumber, fish, and potatoes were exported south as well, and merchants in Victoria received their goods on regular steamship runs between San Francisco and Victoria. The experience of the Lowe brothers, Thomas and James, illustrates the prevailing trade patterns of the west coast. Originally from Scotland, Thomas Lowe first came to America in the employment of the Hudson's Bay Company under James Douglas. He worked for some time in the Columbia River valley, where he joined Allan McKinlay to form a commission merchants company. At the time of the Oregon Treaty, Lowe left for San Francisco to set up an office; there he used his connections with the Hudson's Bay Company to open trade between Vancouver Island and California, especially in coal. His brother James joined him from Scotland in 1858, and they soon discovered that their inland trade in Oregon was less prosperous than selling supplies to Victoria bound miners. The Lowe brothers had the foresight to recognize Victoria as an expanding entrepôt, and they took up residence there in time to anticipate the Cariboo gold rush.[33]

The Lowe brothers are just one example of the extension of British enterprises north from San Francisco. While they were not American, the trade they developed was principally with the United States, as was the lumber business of William Sayward. Other early lumbermen like John Muir, a Scotsman, and Gilbert Malcolm Sproat, who developed a prosperous lumber business at Alberni, found their largest

market in California.[34] On at least one occasion in 1868-69, Sproat maintained a representative of his firm in San Francisco.

Coal was another important trading commodity. The extensive coal mines of Nanaimo were initially owned and operated by the Hudson's Bay Company. The Lowe brothers had imported some coal to San Francisco, but there was also a local market on Vancouver Island. In 1864 the mines were sold to the Vancouver Island Coal Mining and Land Company, which had its head offices in Britain and operated on British capital. Much of the coal went to the California market. In the same year the Harewood Coal Mining Company commenced operations under the management of Robert Dunsmuir, a Scotsman who had at one time been employed by the Hudson's Bay Company. His Wellington Mine became a rich source of coal; indeed it was coal that built the town of Nanaimo and consequently increased revenue for Victoria where supplies were purchased and where Dunsmuir eventually settled and became one of the city's richest entrepreneurs.[35]

Ship building became an important industry in Victoria during the 1860s, one of the few examples of important manufacturing investments in a city dominated by trading and retailing roles. Like many of his contemporaries, Joseph Spratt came to Victoria from Britain via San Francisco in 1862. His Albion Iron Works, established in the same year, made it possible to build ships in Victoria. By the mid-1860s, nine of the seventeen steamers and eighteen of the twenty-eight schooners trading with British Columbia had been built in Victoria.[36]

Exports from the island had been shipped by the Hudson's Bay

Company; the Beaver and the Otter plied the coast and later the Fraser River. Despite Governor Douglas' initial attempts to keep the river traffic solely in British hands during the outbreak of the gold rush, it had not been long before American ships were steaming up the Fraser as far as Yale. Victoria then became the headquarters for American shipping companies that served the Puget Sound and Columbia River areas as well. By 1864 numerous American river boat captains had left the area, like the miners, again suggesting that American commercial dominance encompassed only a brief period in Victoria's history.[37]

British financial institutions began replacing American capital in the early 1860s. For example, the Bank of British Columbia issued its prospectus in 1862, and it was a British institution organized by men such as Eden Colvile, a director of the Hudson's Bay Company, and Alexander Mackenzie, a director of the Oriental Bank.[38] Early banking services had not always been adequate. The Macdonald and Company Bank was a private institution operated by Alexander Davidson Macdonald, a Scotsman who came to Victoria from California in the late 1850s and established a bank in 1859 which met with an untimely end. In September 1864 the uninsured contents of the bank were stolen; Macdonald, absent at the time, eventually returned to San Francisco without satisfying either his creditors or his customers.[39] A second bank, the Bank of British North America, established in 1858, suffered from a lack of flexibility due to strict control by its head office.[40] Three other facilities were American: Marchand and Company, and Robertson and Company, assaying firms, and Wells, Fargo and Company,

which maintained an express service as well as shipping gold dust from Victoria to San Francisco. Alexander Alfred Green, an Englishman, became the Wells Fargo agent in 1873; in 1877 Green merged his business with the Garesch, Green banking interests.[41] Thus, the establishment of the Bank of British Columbia, at some urging by Governor James Douglas, was a welcome facility for Victoria's business community. Reflecting the trading patterns of the city, branches were opened in the interior in 1865 and, in the same year, in San Francisco.

Although Victoria's business community during the gold rush years seemed to contain a large number of Americans, especially San Franciscans, it was more often a British or European element that determined the dominant trading pattern of the city. Ethnic diversity characterized the mercantile community from the outset, for not all the merchants who came to Victoria from California were Anglo-Saxon. A number were Jewish businessmen, who waited until the Hudson's Bay Company lost its trading privileges in the British colonies before coming en masse to Victoria from a large, organized community in San Francisco.[42] The German Sutro family, Adolph and his sons Gustav and Emil, were forerunners of the city's Jewish population. Adolph advertised his tobacco and cigar business in the first issues of the Victoria British Colonist. Joseph Boscowitz arrived the first year of the gold rush; he came from Central Europe via San Francisco and opened a fur store on Wharf Street in 1858. Nathan Koshland, of German descent, had been well established in Sacramento, California, where he was a clothier and the secretary of the Hebrew Benefit Association. One

of several Jewish merchants coming to Victoria, he opened a similar business in Victoria in 1861. Frank Sylvestor went into the hardware business and later opened a feed store after an expedition to the interior gold fields yielded him little fortune. Alexander Philips, the soda water manufacturer, was also a member of the Jewish community.[43]

These early Jewish merchants brought not only capital and energy to the business community, but also added to the growing cosmopolitan air of the city. The establishment of the city's first Synagogue in 1863 reflected the permanence of the Jewish community. The participation of the Freemasons, the Hebrew and French Benevolent Societies, the St. Andrew's Society, the Germania Sing Verein, and the band of the H.M.S. Topaze illustrated the diversity of the city's population.[44] In addition to the American, Black, and Jewish merchant population and the numerous businessmen of British descent, a number of merchants were German, such as H. F. Heisterman and Leopold Lowenberg, and some were French.

A French presence in Victoria can be noted as early as 1858 when a short-lived newspaper, Le Courrier de la Nouvelle Caledonie, was printed on the same presses as the British Colonist. A French Benevolent Society was founded in 1860, based on a San Francisco model. While the society had twelve founding members in February 1860, it had grown to two hundred in 1873 and included many Victorians not of French descent.[45]

Like British merchants, the French population tended to come to Victoria via San Francisco. Political revolution in 1848 caused large numbers of people to leave France, and many were attracted to

San Francisco and then Victoria by the gold rushes. In 1861 the Colonist noted an increase in the number of French families coming to Victoria from California, and the paper welcomed the "orderly, industrious and thrifty colonists,"[46] for French immigrants were generally well educated urbanites with significant capital funds. In Victoria Sosthenès Driard built two of the most fashionable hotels in the city, the Driard and the Colonial.[47] French goods were imported to and exported from Victoria in quantities as important as British goods.[48] Other European imports included German glassware and Italian clothing.

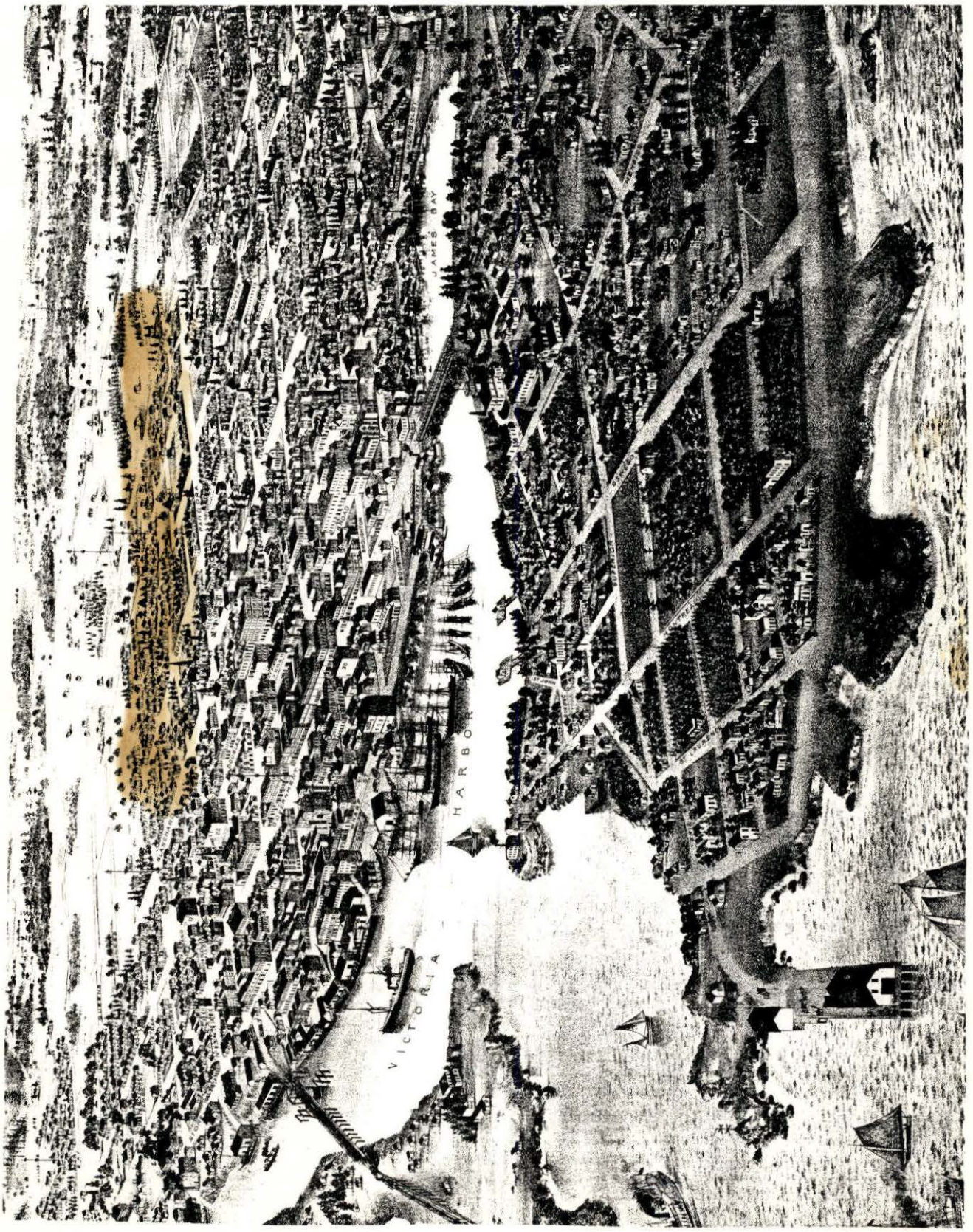
During the first years of the gold rush businessmen had assumed a visible role in the community. In 1862 the Colonist noted many of their activities reporting, for example, that workmen had "commenced to erect a second storey" on the building of Henderson and Burnaby, a commission agency, on Wharf Street. David Leveneu, a grain and feed dealer, had acquired a large haypress, the first on the island, and H. F. Heisterman's newsroom was about to open to cater principally to the city's businessmen.[49] In January 1862 members of the Royal Hospital Society elected Robert Burnaby, Alfred Waddington, and Lumley Franklin to the Board of Directors; in February the Vancouver Island Rifle Volunteers also elected Franklin to serve on its financial committee, while the fire department chose another auctioneer, James A. McCrea, to be its treasurer.[50]

Physical evidence of this concentration of commerce in Victoria was the growth of a downtown business core. Bound by the Inner Harbour, Johnson Street, Government Street and Fort Street, this area

tangibly illustrated the city's mercantile pretensions, while the warehouse, wharves, and brick buildings of the business community could be construed as its faith in Victoria's future development.[51] Commission agencies lined the harbour and retail outlets located on Yates, Johnson, and Fort Streets. (See Map 1, page 32.) While business hoped to expand further in the inner harbour area, their progress was halted by the Songhees Indian reserve; although merchants campaigned vigourously for the removal of the "nuisance" from the prime commercial area, the colonial government refused to consider such a proposal.[52]

* * *

The period 1858-1865 saw Victoria begin to acquire all the components necessary for the development of a metropolitan centre. A resident, stable business community would be able to control a large hinterland effectively. Geography and the dominant trading pattern allowed Victoria merchants to be the middlemen between the mainland and the goods of the world; goods were deployed from the city in Victoria-built ships. Financial institutions like the Bank of British Columbia were located in Victoria and provided merchants with the capital necessary to import goods and export them to the mainland. While the business community was only beginning to take hold in these early years, the potential for expansion was considerable, and this growth would continue to occur at the expense of the mainland communities, not one of which possessed all of Victoria's assets.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CHAPTER II

THE COLONIAL PERIOD

While the gold rush provided the initial impetus for the business community of Victoria, it remained for merchants to define a role for themselves in the city. During the period from 1860-1871 the gold rush peaked and declined as did the fortunes of the city's merchants. It was a decade of transition which would see the aspirations of this group come to be identified with those of the city as a whole. As this perception grew, merchants began to offer their own perspective to many of the important and controversial events of the decade.

A second group of individuals influencing Victoria's growth was the government officials. Like the merchants, this group tended to be from a British background and were inclined to settle permanently in Victoria. James Douglas, as governor of Vancouver Island, 1851-1864, and of British Columbia, 1858-1864, was the most influential of the colonial officials. As Victoria sought to consolidate her entrepôt status during the early 1860s, a number of events significant for commercial development took place, such as the declaration of Victoria and Esquimalt as free ports in 1860, and the reintroduction of the gold escort in 1863. The union of the two colonies in 1866 substantially influenced the economic prospects of the city. Governor Douglas played an important role in the earlier events, and he often interacted with

the businessmen of Victoria when mercantile considerations were at stake. In some instances it seems Douglas provided a leadership role, with merchants endorsing the actions of the government. Yet merchants were often more outspoken or higher profile proponents of such government sponsored actions as harbour improvements. Certainly the press came to identify many of these projects with the business community, obscuring the role of government, and Douglas, as the initiator. The best evidence offered to illustrate the impact of Douglas' policies on the city is the fact that following his retirement Victoria lost not only its free port status, but briefly the prestige of being a capital city. Clearly the city had lost an important and powerful booster.

James Douglas did not entirely approve of Victoria's new preoccupation with commerce, but he did acknowledge the great changes the gold rush had made. As the year 1860 began he wrote to Sir George Simpson that "many changes have taken place in this country . . . and works of a perfectly stupendous nature have been executed."[1] Anxious as he was to maintain the British influence in the colonies during the gold rush years Douglas would naturally view the growth of Victoria as commercial centre and port of entry as a positive step.

One of the first issues to be dealt with was improving access to the inner harbour, and Douglas and the business community were both proponents of dredging, rock removal, and buoying schemes. The narrow and hazardous channel of the inner harbour made it necessary to land passengers and freight at Esquimalt for shipment in smaller boats to Victoria.[2] Douglas expressed his interest in harbour improvement early

in 1859 when he wrote to J. D. Pemberton, the Colonial Surveyor, and requested a written report on harbour conditions. Pemberton's reply indicates that merchants were also interested in seeing the harbour improved. He noted that "people who have invested capital here are much interested in the proposed removal of the bar at Shoal Point [and] in improving the channel and in removing rocks from the Port."[3] He suggested to Douglas that Captain George H. Richards, of the Plumper undertake a survey of the harbour and make a report to the governor. Douglas also asked A. C. Anderson, the Collector of Customs, to outline the immediate and long term improvements required in the harbour. Anderson suggested that harbour dues be established to fund the necessary work.[4]

Douglas also took the initiative to provide buoys to mark the inner harbour. He requested a £400 appropriation from the House of Assembly for this purpose in May 1859. The House replied with support for the project, but pointed out a lack of funds. Douglas went ahead and authorized £250 for the purchase of buoys, "trusting [that] the House would make provision in further grants."[5]

The need to improve the inner harbour was also recognized by the House of Assembly in 1859 when it appointed a Select Committee of Colonel Moody, Colonel Hawkins of the Boundary Commission and Captain Richards "to inquire into and report upon the best method of rendering the entrance of Victoria harbour more practicable for ships."[6] One year later, the government debated the Victoria Harbour Act in order to raise a £10,000 loan to carry out improvements and the establishment of harbour

dues to offset the costs. In the Legislative Assembly Alfred Waddington, a merchant, argued in favour of the Act, while Dr. J. S. Helmcken, Speaker of the House, maintained that it was inappropriate to include a provision whereby any outstanding part of the loan would be guaranteed by the general revenue of the colony of Vancouver Island.[7] Helmcken's concerns were overruled, and the House passed the Act 29 October 1860. The Governor assented 16 July 1861, and the Act came into force, applauded by the Colonist. The paper's editor, Amor de Cosmos, criticized the long delay between the first reports, commissioned by Douglas, and the final act, but he noted that "anyhow, the harbour is to be improved and all who are interested in commerce and real estate cannot but reap a corresponding advantage from the outlay."[8]

The business community of Victoria would be the obvious beneficiaries of harbour improvement, for the cost of shipping from Esquimalt to Victoria harbour would be saved. The Colonist estimated that the cost of removing the sand spit and rocks would equal the costs of transhipping goods in one year.[9]

Later the Colonist criticized the government for not initiating the "essential improvements" despite raising the £10,000 loan. Denouncing the House of Assembly as useless, the Colonist went on to describe harbour improvements as a matter of vital interest to the people of Victoria, to the property owners, and to the commercial future of the place.[10]

Dredging machinery was finally acquired and work on the harbour was carried out intermittently before being abandoned in 1865 after

costly errors in judgment. Douglas had originally estimated the cost of dredging and rock removal to be about £10,000 annually; J. D. Pemberton had put the figure at £5,000, while the merchants had calculated a cost of between £3,000 and £4,000 a year.[11] The discrepancy in figures suggests the lack of accuracy in forecasting the costs. The House of Assembly was again split in 1865 when the work ceased, but it was decided to retain the dredging machinery rather than sell it with the hope that future revenues would make harbour improvements viable.[12]

While Douglas' initiatives in 1859 and the support of the House of Assembly culminated in the 1860 Harbour Act, it is the commercial aspects of the dredging and rock removal schemes that were stressed. Ironically, the business community itself did not play a significant role in initiating harbour improvements. It enthusiastically supported the idea through letters to the press and, later, announcements from the Chamber of Commerce, while in the House of Assembly merchants like Waddington supported the Victoria Harbour Act. In 1862 the merchant house of Henderson and Burnaby offered to arrange the £10,000 loan through its London headquarters. Although it is not certain whether the government took advantage of the offer, Robert Burnaby did discuss the matter with W. A. G. Young, the Colonial Secretary.[13] While the government was exploring the possibilities of harbour improvements as early as March 1859, the press continually associated the project with the business community. In 1864 when the dredge was about to be shut down, the Victoria Daily Chronicle maintained that "the colony as a whole is prepared to keep faith with

the merchants and would be glad to see the harbour permanently improved for the sake of general prosperity" if it were not for the escalating costs involved in the venture.[14]

Concurrent with harbour improvement was the free port issue. Here again James Douglas was committed to the course of action most advantageous to the business community. In 1859 the Colonial Secretary, E. G. B. Lytton, wrote to Governor Douglas and enclosed a letter from the Board of Trade of the Sandwich Islands. These English merchants wished to see Victoria gain the status of a free port, and Lytton, for his part, was interested in Douglas' opinion on the matter, especially as it related to "interests of British Commerce."[15] Douglas' reply indicated his approval of the idea to create a free port; in fact, he told Lytton that Victoria had always operated on a free trade basis:

> The Port of Victoria, including Esquimalt harbour [had] been always maintained on the footing of a Free Port in as much as no Duties on Imports or Exports [had] been levied [nor on any other port]. . . . This was not fortuitous nor the effect of accident but a part of the policy by which it was sought to encourage and foster trade; and to make Victoria an entrepôt for the coast of North America.[16]

The free port would also, in Douglas' view, best serve British interests. By making it advantageous to ship goods directly from Great Britain or "the producing countries of Europe and South America [to Victoria] without stopping to discharge goods at any immediate port," Douglas believed that "Victoria, from its favourable position and freedom from charge and commercial restrictions would become a great storehouse of British goods and the centre of a prodigious trade with the neighbouring

countries of the Pacific." Douglas concluded by recommending the adoption of a free port status for Victoria.[17]

The Colonial Office agreed with Douglas, and on 18 January 1860 it elevated Victoria and neighbouring Esquimalt harbour to the status of free ports. Both Douglas and his superiors agreed that in accordance with the free trade policy, revenue would be raised by means of direct taxation rather than by the imposition of custom's duties.[18]

The residents of Victoria were heartily in favour of the free port declaration. In 1860 the Colonist claimed there existed unanimous desire for a permanent free port system. Free trade was a welcome advantage for the city's traders and importers. Gilbert Malcolm Sproat interpreted the British government's decision as a stratagem "to attract commercial men, manufacturers, and middlemen of all grades; it would create growth under excellent commercial conditions." At the same time he suggested that the business community endorsed free trade for much the same reasons. He maintained that "really interested colonists, including the commercial and properties classes, appreciated [free port] action."[19]

Thus two significant events for commercial interests took place in the early 1860s with little or no real effort being exerted by the business community. It seemed to be in the interests of the government to promote Victoria's economic growth and to strengthen her fledgling entrepôt role. Merchants, while naturally supporting these developments, began to organize their own affairs and to identify their own interests. For example, in 1863 the business community organized

the Chamber of Commerce of Vancouver Island, the name itself reflecting Victoria's status as the metropolitan centre of Vancouver Island. Merchants of all nationalities and functions were unified in this one organization. Among the founding members were Robert Burnaby and James Lowe, import-export agents; Emil Sutro, tobacconist; Nathan Koshland, clothier; E. Grancini, wholesale grocer; H. F. Heisterman, real estate agent; Jeremiah Nagle, shipping agent; Samuel Goldstone and G. V. Vignolo, general merchants; and Jules Rueff, importer of tea and grocer.[20]

The thrust of the Chamber's activities was economic rather than social in nature, and merchants perceived their major role in the community to be promoters of Victoria's business. The constitution reflected this bias when it called for the "better regulation of trade and the furtherance of commercial interests."[21] After 1863 the Chamber became the merchants' vehicle for articulating their views on Victoria's growth; for example, it actively supported harbour improvement. In March 1863 the Chamber began to lobby the government to establish a gold escort corps, and its eventual implementation, despite the reluctance of Governor Douglas, is one instance where the merchants actively worked for a project of commercial importance and provided the leadership required to bring it about.

On 21 March 1863 Robert Burnaby, President of the Chamber, addressed Colonial Secretary W. A. G. Young, requesting "the establishment of a Gold Escort Corps under the direction and control of the Government." As a measure of their commitment to the project, merchants

offered to underwrite any loss that might be incurred in its establishment, and individual businesses subscribed amounts varying from $50 to $100.[22]

The motives for the proposal were numerous, but all were commercial in nature. Businessmen claimed that Victoria's prosperity would increase fourfold because miners who presently had no means of taking large amounts of gold to the coast and Vancouver Island would be able to buy supplies more readily in Victoria, while merchants who refused to send new provisions to the interior until previous ones had been paid for would enjoy a more stable business. It was further believed that the freer circulation of gold would tend to reduce its exorbitant value, and that a gold escort would help to increase imports, "settle up, civilize, and develop the colony," create a need for branch banks and firms in the interior, and increase trade between the two regions of the colonies. In essence, it would encourage commercial security, for both the country and the individual merchants concerned, and this security would be quickly followed by more enterprise and trade.[23]

These views were supported by the entire business community. Fifty signatures were affixed to the petition Robert Burnaby submitted to W. A. G. Young for the attention of the governor, and both the Bank of British North America and the Bank of British Columbia were expected to support the scheme. Governor Douglas, however, was reluctant to implement the scheme largely because in 1861 the corps had made only three expeditions before being cancelled when the government had not

been able to guarantee its safety. After some delay this "urgent requirement," or so it was styled by merchants, was put into action. Perhaps the promise of financial support persuaded the Governor to try the gold escort corps again; in any event the fact that it was re-established reflects some degree of influence on the part of the business community. Unfortunately, their influence was misplaced in this case, for the Cariboo branch banks refused to cooperate with the gold escort, despite the assurances of the merchants, and the costly escort was abandoned again.

Despite the failure of the gold escort corp, Victoria's status as a port and commercial centre increased. Regardless of who was providing leadership, Douglas or the merchants, the perception of Victoria as an entrepôt dominating both the colonies came clearly into focus during the 1860s. Victoria was beginning to acquire the matrix for metropolitan status; it had financial institutions, important communication organs like the British Colonist, it controlled imports into and exports from the colonies, and it was the capital of Vancouver Island. Until James Douglas' retirement in 1864, many of the government institutions were located in Victoria. One exception was the government assay office and mint located in New Westminster in 1860, despite considerable opposition from the merchants of Victoria.

The Victoria Directory of 1863 illustrates the city's dominant commercial interests. There were fifty-nine listings for general merchants who dealt mainly in provisions, lumber, and liquor. The commission agents, which numbered thirty-two were either general agents

or involved in importing and exporting a particular product. Some forty-nine grocers provided services ranging from importing wholesale foods to retailing meat and produce. Another seventy-nine individual businessmen were involved in manufacturing, hardware sales, tobacco products, the outfitting of ships and bookselling. In addition to these were the individuals who provided services like hotel accommodation and saloons.[24]

As Victoria began to expand as supplier of the mining districts it came into direct conflict with British Columbia's capital city, New Westminster. The mainland city deeply resented Victoria's tendency to "want everything properly belonging to the colony [i.e. British Columbia] crowded into Victoria."[25] Victoria dominated its rival from 1858 to 1866, largely because of the actions of James Douglas.

Douglas' policies, enacted in British Columbia by proclamation only, were designed to further British interests in the interior. At the same time these policies helped to establish Victoria's commercial supremacy over the gold fields. New Westminster's newspaper the British Columbian, edited by John Robson, an outspoken Canadian, accused Douglas of furthering his private interests by promoting Victoria over New Westminster, while the city's merchants protested the high prices of goods.[25] They felt the revenue raised in New Westminster only supported a government that favoured the island city.[26]

Victoria's free port status gave her a decided advantage over New Westminster. In the case of British Columbia, the colonial government had imposed a system of tariffs and customs duties on goods

entering the colony to raise revenue. The advantages to Victoria were obvious, and this helps to explain the fact that as late as 1866 the mainland capital did not have one single importing firm, and a population of only some three hundred individuals.[27]

By the early 1860s it was obvious that Victoria had the upper hand over the mainland colony's economic function. Although the mainland received its own Legislative Council in 1864, and its own separate governor in the person of Frederick Seymour, New Westminster continued to resent Victoria's economic dominance. Victoria's business community contributed to this resentment by constantly disparaging New Westminster's location and the quality of its harbour facilities. The rhetoric of Matthew Macfie, the English minister of the Congregationist Church 1860-1865, and one of Victoria's enthusiastic boosters, offers a good example of this attitude.

> So extensive has been the amount of capital expended on mercantile appliances in Victoria, so remunerative have these sources of wealth proved, so powerful is the connection formed by our importers with great shipping firms in England and other parts of the world, and so incomparably rapid has been the general progress of the city that the colossal dimensions into which it is destined to expand are already unmistakeably foreshaddowed as the leading mart on the seaboard north of San Francisco.[28]

With regard to New Westminster, Macfie maintained that:

> invincible forces are in operation arising unavoidably out of geographical and commercial relations with surrounding localities, to render the advancement of [New Westminster] slow and insignificant with that of Victoria.[29]

This rivalry was brought to a head in 1866 when the two

colonies were merged to form the single entity, British Columbia. Union was precipitated by a period of economic depression which saw the revenues of the two colonies fall drastically, while their debts increased. The major cause of the depression was the decline in gold revenues which peaked in 1863 and thereafter gradually declined.[30] (See Table 1, page 49.) The fall of gold revenues was accompanied by a decrease in population as miners left the Cariboo in search of better yields.

In Victoria, where the business community was almost exclusively tied to the mining of gold, the depression had important results. The capital's legislative assembly had been locked in a battle with the new governor, Arthur Edward Kennedy, over the establishment of a civil list for the colonies' officials. Falling revenue accentuated the problem of supporting a civil list separate from that of British Columbia, and elected representatives were forced to consider union between the two colonies as a solution to these economic problems.[31] The business community, on the other hand, was experiencing the same economic difficulties, and mercantile interests faced their first major crisis. However, for businessmen union was not the obvious solution to the problem, and in the ensuing controversy merchants were to lose ground in a city that had come to identify its role with that of its businessmen.

Unfortunately, the economic woes of the mid-1860s were caused by mismanagement by businessmen themselves. The history of the Bank of British Columbia substantiates this fact. In Victoria the bank had

TABLE 1

GOLD PRODUCTION OF BRITISH COLUMBIA FROM 1858-1888

Year	Amount actually known to have been exported by banks, etc. $	Amount added to represent gold carried away in private hands $	Total $
1858 (partial return)	543,000	-	*705,000
1859	1,211,304	1-3rd 403,768	1,615,072
1860	1,671,410	" 557,133	2,228,543
1861	1,999,589	" 666,529	2,666,118
1862	1,992,677	" 664,226	2,656,903
1863	2,935,172	" 978,391	3,913,563
1864	2,801,888	" 933,962	3,735,850
1865	2,618,404	" 872,801	3,491,205
1866	1,996,580	" 665,526	2,662,106
1867	1,860,651	" 620,217	2,480,868
1868	1,779,729	" 593,243	2,372,972
1869	1,331,234	" 443,744	1,774,978
1870	1,002,717	" 334,239	1,336,956
1871	1,349,580	" 449,860	1,799,440
1872	1,208,229	" 402,743	1,610,972
1873	979,312	" 326,437	1,305,749
1874	1,383,464	" 461,154	1,844,618
1875	1,856,178	" 618,726	2,474,904
1876	1,339,986	" 446,662	1,786,648
1877	1,206,136	" 402,045	1,608,182
1878	1,062,670	1-5th 212,534	1,275,204
1879	1,075,049	" 215,009	1,290,058
1880	844,856	" 168,971	1,013,827
1881	872,281	" 174,456	1,046,737
1882	795,071	" 159,014	954,085
1883	661,877	" 132,375	794,252
1884	613,304	" 122,861	736,165
1885	594,782	" 118,956	713,738
1886	753,043	" 150,608	903,651
1887	578,924	" 115,785	693,709
1888	513,943	" 102,788	616,731

Total known and estimated yield of gold, 1858 to 1888--$54,108,804

*Waddington's estimate.

Source: Alexander Begg, History of British Columbia from its Earliest Discovery to the Present Time (Toronto: William Briggs, 1894), p. 336.

good relations with businessmen; a number of accounts were opened, but deposits were small, reaching only $97,000 by the end of 1867.[32] During one year of depression, 1865-66, the bank had reason to conclude that business practices had been unsound. Reflecting the optimism of the early 1860s, merchants imported large shipments of goods, paid for them with bank loans, and then exported them to the interior. With the decrease in population and markets, a large, unsold surplus resulted. Compounding the problem was the practice of borrowing from the bank to pay outside creditors, while offering for security real estate that was declining in value as the depression deepened. Advances totalling more than one million dollars were issued by the Bank of British Columbia in Victoria, a figure that was "out of proportion with both the resources of the bank and the wealth of Victoria"; by 1866 the majority of the bank's capital was tied up in overdrawn accounts.[33] Branches in Yale, New Westminster, and Quesnel were closed although American branches continued to operate.

Edward Graham Alston, an English lawyer who became the Registrar-General of Vancouver Island in 1861 and the Attorney-General of British Columbia in 1871, also suggests that businessmen themselves were partly responsible for the depression of the mid 1860s. Over-trading and speculation, he believed, as well as the system of credit the Bank of British Columbia practiced, were to blame for the financial crisis, together with the neglect of the "more solid and enduring branches of industry."[34] In 1866, cereals, meat, and farm produce still had to be imported to the colony from California and Oregon.

Overconfidence on the part of the business community contributed to the problems in 1865. During the heady days of the gold rush when population and land values soared dramatically, none foresaw the end of such boom days. Union between the colonies seemed the only solution to the immediate economic difficulties.

This became especially true after 1864 when the Vancouver Island Legislative Assembly failed in its overtures to British Columbia for an executive union. Arguing that the colony could not afford to support a permanent civil list separate from that of British Columbia, Vancouver Island proposed one set of administrators for the two colonies and graciously offered to pay one-third of the cost. British Columbia rejected the idea and inflamed the issue early in 1865 by amending its customs ordinance to prohibit vessels bound for the northwest coast from clearing at Victoria. In the island city this further contributed to the problems of the business community.

Victoria businessmen spoke out loudly during the debate over union. It was a very contentious issue, complicated by two different economic systems, free trade vis-à-vis tariffs, and divergent political systems, for Vancouver Island alone had an elected Legislative Assembly; it also fueled the smoldering rivalry between the two capitals. Victoria's businessmen were particularly concerned with the economic repercussions of union, and they hoped to retain the advantages, like the free port, that had enhanced Victoria's commercial stature. Naturally, these advantages had also enhanced the business community and merchants were quick to point out in the union debate that these mutual

interests benefited Victoria.

Much of the rhetoric from the business community came through the Chamber of Commerce. It was absolutely convinced that the city should not give up its free port status; this was the most vocal element in the debates preceding union. From the spokesmen of the Chamber came numerous speeches, declarations, and petitions defending the free port and advantages of retaining the status quo. Robert Burnaby declared that: "All merchants in the community as well as those in California" stood firm on this issue."[36] The Chamber of Commerce refused to consider the adoption of a protective tariff which in their view would be "detrimental to the commercial interest of the colony [and] without benefit to the farmer or manufacturer." What the business community clearly feared was a loss of trade and the highly favourable conditions under which Victoria's commerce had always operated. It was because of the free port, they declared, that "merchants without exception settled down in Victoria [and] assisted to build it up to its present flourishing condition investing considerable sums of money in permanent improvements. . . ."[37] So complete was Victoria's commercial supremacy, merchants claimed, that not one importing house had been established on the mainland, while "almost every enterprise in British Columbia, whether of trade, mining, or the building and employment of steam boats, has been undertaken by the commercial community of Victoria."[38]

For merchants to talk about flourishing conditions was more bravado than fact. The Bank of British Columbia was, at the time, covering overdrafts of some one million dollars, and union would probably

not have become an issue at this time if not for depressed economic conditions. However, the businessmen argued that Victoria owed much of its success to business interests. At stake in the union debate was the city's commercial role.

Businessmen were faced with a dilemma. The sense of crisis was heightened by the fact that this was the first major problem merchants had to solve. Heretofore, they had enjoyed almost ideal business conditions furnished by the gold rush, geography, and the interest of the government in Victoria's commercial expansion. In the ensuing struggle over the free port and union controversy the Chamber of Commerce pointed to these facts as well as the initial choice of the Hudson's Bay Company of Victoria as the most "eligible spot for carrying on business in Northwest America to the best advantage."[39]

It is clear that Governor Arthur Edward Kennedy did not consider the interests of the merchants to be paramount. Unlike James Douglas who had consistently favoured Victoria over New Westminster, Kennedy was willing to sacrifice commercial advantages for the sake of the union, desired by his superiors in London. The Chamber of Commerce proved to be an ineffectual forum for merchants' interests, and in the political arena, the business community lacked the influence necessary to have their policies enacted. An election called in 1865 graphically illustrates this.

In February of 1865 the free port supporters in the Legislative Assembly, including Robert Burnaby, moved that the House be dissolved and the issue put to the people. To their consternation Amor de Cosmos and

Samuel McClure, who both supported union without the free port, were elected instead of the two free port candidates.[40] In May, Governor Kennedy reported to Edward Cardwell, the Secretary of State for the Colonies, that: "The readiness of the Legislative Assembly of this colony to abandon the free port of Victoria at once removes the only serious difficulty which has hitherto beset this question, a course of action approved of by an overwhelming majority of their constituents."[41]

Nor could the business community expect any help from the Executive Council. In fact, after some squabbling among the Council as to which of its individuals represented the merchants of the city, it was established that ". . . no one ever asked the merchants and traders to have 'their opinions' represented in the Council . . . their place [was] in the Legislative Assembly," and among that body support for the business community was not encouraging.[42] De Cosmos' Colonist lambasted the Chamber of Commerce's report on the union question as a document "remarkable only for its verbosity." To the claims of the merchants that they had invested in Victoria because of its free trade policy and that they and it were responsible for the city's growth and commercial supremacy, the Colonist replied: "The measures which Governor Douglas took in 1858 to compel vessels to enter at Victoria instead of proceeding direct to Fraser River were the sole cause of the concentration of so much wealth and enterprise in Vancouver Island."[43]

Ultimately the business community recognized their inability to influence the free port decision. Despite the best efforts of Robert Burnaby and Selim Franklin to defend the issue in the House of Assembly,

references to the free port were not included in the final resolution of the Assembly forwarded to the Secretary of State for the Colonies, Edward Cardwell, by Governor Kennedy. J. J. Southgate, a commission merchant in the House,acknowledged that union with free trade was impossible.[44] The final Chamber of Commerce resolution on the subject of the free port and union recognized the limitations of the organization:

> the members of the Chamber of Commerce; Victoria, Vancouver Island can only see in equitable union a practical solution of existing difficulties, and while feeling that Victoria as a free port established with so much forethought and maintained at such cost to the substantial benefit of British Columbia as well as Vancouver Island, may be weakened, for a time, they are content to leave the solution of the whole question to the wisdom of Her Majesty's government.[45]

The Chamber explained its decision on the basis that union was a political rather than a commercial issue and as such it was best left to the government. Thus despite all the rhetoric and outspoken opinions on the free port issue, as well as the presence of some merchants in the House of Assembly, businessmen finally abrogated any role for themselves in the decision making process.

Union of the colonies on 19 November 1866 did not meet the expectations of Victorians. In fact, as British Columbia annexed Vancouver Island, the city lost its free port, its capital status, and its Legislative Assembly. This high-handedness outraged all of Victoria's citizens; the Colonist cried that it was annexation where British Columbia got everything and Vancouver Island nothing in the deal. The paper also did a complete about face and began to lament the passing of the free trade era.[46] Union so distressed Selim Franklin

that he resigned his seat in the Legislative Assembly and left the colony.[47]

While Victoria forever lost free port status, the city did regain its position of capital in May 1868. Again while the events that proceeded the relocation took place in the political arena, it was the future of Victoria's commercial role that was one of the primary motivations for the move. In November 1867 this was reflected in a public meeting that resolved that "The seat of the Government for the now United Colonies of Vancouver Island and British Columbia would, for the present at least, be most advantageously and coveniently placed at the city of Victoria, it being situated on the high road of travel to both American and British possessions, the centre of commerce and resort, and the pivot of postal and steamboat communication. . . ." Among those thanked for their participation and help were the Bank of British Columbia, the Bank of British North America, and other mercantile firms, as well as "gentlemen at present in England, but interested in the colony by reason of their being property or bondholders."[48] The gentlemen present in England were Donald Fraser, a journalist and former member of Douglas' Legislative Council; Alexander Grant Dallas, Douglas' son-in-law and a Hudson's Bay Company superior; and Gilbert Malcolm Sproat a former resident Victoria businessman. These men made up "The London Committee for Watching the Affairs of British Columbia." Earlier they had lobbied against the union of the two colonies; in 1867 they were promoting Victoria as the colonial capital for commercial reasons.[49]

Under the guidance of Dr. J. S. Helmcken, who introduced the

initial motion, the Legislative Council voted twice on the location of the capital, and on both occasions Victoria was the site chosen. Merchants, like all Victorians, were jubilant when with the decision for it brought not only status and prestige to the city, but concrete economic rewards as well in the form of population and government bureaucracy.

During the debate over the capital the business community was involved in another controversy, the annexation petition of 1867. This petition called for the annexation of Vancouver Island to the United States, and a second petition followed in 1869. The basis of the annexation movement was economic in nature in that the business community was specifically interested in the commercial advantages such a union would offer to Victoria. Although the annexation petitions have been cited as evidence that Victoria's business community was dominated by American interests, the date of the movement supports the premise that another motivation, an economic one, better explains its impetus, for by 1869 the American element had largely left the Colony.

A measure of stability had returned to Victoria after its enforced union with the mainland, but its citizens were still upset over the loss of the Legislative Assembly and the temporary displacement of their capital. The business community was especially bitter about the loss of their free port. Moreover, gold revenues continued to decline. In 1869 gold production was valued at $1,774,978; this was $597,994 less than 1868 and fully $2,138,585 less than the peak of gold production in 1863.[50] The contents of the petitions themselves suggest the economic

nature of their origin.

The first petition occurred in July 1867, one year after union and one year before Victoria won back its capital status. It was directed to the Queen and threatened to seek annexation to the United States if Britain did not pay for the administrative staff of the colony; if the colonial government refused to establish a steam line to Vancouver Island via the Isthmus of Panama to aid immigration; and if the Imperial government refused to assume the debts of the colony.[51] These three demands suggest the economic problems the colony was still experiencing. Another petition appeared in April 1869; this one, with less than forty-five signatures, was directed to the President of the United States. At the same time the Morning Bulletin of San Francisco reported that the petition issued from Victoria asking for annexation of Vancouver Island had been signed by "a number of property holders and businessmen in Victoria, to be followed by another which will contain the names of all the British merchants and others at Victoria. . . ."[52]

Closer examination reveals that the San Francisco paper was inaccurate in its assessment of the petition, for few British merchants affixed their names to the annexation petition. The 1869 petition, which contained only forty-three signatures, was signed almost exclusively by Victorians of European descent, but the majority were involved in some aspect of the business community. One of the chief movers of the petition was H. F. Heisterman, and he is representative of the majority of the petition signers. Heisterman was born in Brenen, Germany; he moved to England, where he became naturalized, in 1853.

After an unsuccessful stint in the gold fields of the Cariboo he founded in Victoria in 1862 a reading room and merchants exchange, which catered specifically to the business community. Two years later he formed a real estate company.[53] Equally representative are Emil Sutro, the tobacconist, who returned to San Francisco in 1875; Leopold Lowenberg, a German real estate agent who remained in Victoria until his death in 1884; and Lewis Lewis a much travelled grocer and clothier who was born in Poland but lived in England for nine years, in Brazil and Peru for brief periods of time, and in California for nine years before coming to Victoria in 1858.[54] It is likely that neither Lowenberg or Lewis had become British citizens in 1869.

Notable exceptions among the individuals seeking annexation were W. H. Oliver, an American citizen who represented the Victoria Chamber of Commerce in San Francisco; William H. McNeill, once a Chief Factor of the Hudson's Bay Company and in 1869 an American citizen; a British photographer, G. R. Fardon; and W. Farrow, the owner of the Yates Street Saloon, who invested heavily in Victoria real estate.[55]

That the motivation for annexation was economic in nature is clear in the prelude to the signatures of the petition. Annexation was desired to "insure the immediate and continued prosperity of this our adopted home."[56] That the petitioners chose annexation to the United States as the most likely course to economic stability is not surprising in the light of the trade links between the cities of Victoria and San Francisco, especially when the latter city, now joined by rail with the mid-West, continued to prosper./

Further motivation for the annexation movement was derived from the Colonial Office's strong support for the confederation of British Columbia with the Dominion of Canada. Anthony Musgrave, the former Governor of Newfoundland, became Governor of British Columbia in 1869 and he was charged with the task of persuading British Columbia to join Canada. The Victoria business community strongly opposed the idea of confederation, for it offered no apparent economic advantages. Merchants contended that, unlike the United States, Canada would provide no markets for the resources and products of British Columbia, that the tariff of the Dominion would be the "ruin of our farmers and [the] commerce of our chief cities," and that a link with Canada would do little to promote population growth, "our greatest problem."[57]

The business community was not united in its stand on confederation versus annexation. The lack of support from British merchants suggests the annexation petition did not represent the majority of businessmen. Yet, if they rejected annexation, not all were in favour of confederation as a viable alternative. Dr. J. S. Helmcken, an ardent anti-confederationist in the first years of the debate, later claimed to have the support of the British, American, and Jewish elements for his views.[58] In the 1868 election of the Legislative Council, where for the first time the franchise was extended to all citizens except Indians and Chinese, anti-confederationists were elected to every seat in Victoria. Yet at least two prominent businessmen supported confederation. In May 1868, at Yale, Robert Beaven, a British import and export agent, and M. W. Gibbs were elected officials of

Amor de Cosmos' Confederation League, the "Yale Conspiracy," as Dr. Helmcken styled it.[59]

The annexation movement reflected both the commercial degeneration of Victoria and the unpopularity of government actions such as union of the colonies. It also reflected a lack of unity among the city's business community as to the proper means of remedying the problem. The predominantly Jewish and German segment of the business community desired annexation because they felt the United States could offer a number of economic advantages to the city, while British merchants waffled between pro or anti-confederation views. Moreover, the movement received little support from the colony's new governor, Anthony Musgrave, or from the press.

All doubts as to the wisdom of joining the Dominion of Canada were removed when negotiators with the federal government, including Dr. Helmcken, returned to Victoria in 1870 from a meeting in Ottawa with generous terms of union that seemed to answer British Columbia's financial problems. Not only was a railway promised but the federal government also agreed to provide subsidies, assume the colony's debts, allow British Columbia to make its own decisions in regard to what form the provincial government might take, and would, as well, guarantee a loan for a drydock at Esquimalt.[60] The promise of a railway in particular delighted the Victoria business community.

The wishes of the Colonial Office were fulfilled in 1871 when British Columbia became the most westerly province of the Dominion of Canada. Victorians were optimistic that the move would solve the city's

economic problems and the city would become the railway's terminus.

* * *

The eventful decade of the sixties witnessed significant events in Victoria's development as a commercial centre. During the tenure of Governor James Douglas, Victoria became a free port, and plans were developed to improve the inner harbour. The business community enthusiastically supported these initiatives, while the press applauded any effort to increase the city's economic influence on the basis that what was good for commerce would be good for the city in general. Douglas' inclination to support projects that would enhance Victoria's commerce persuaded him to give in to merchants' demand for a second gold escort corp in 1863.

In the latter part of the 1860s economic depression led to the union of the two colonies; British Columbia annexed Vancouver Island, and Victoria lost the commercial advantages it had acquired under Douglas, prompting the second governor of British Columbia, Frederick Seymour to remark that: "Unquestionably under the rule of my predecessor Victoria became the principle English port of entry on this coast and New Westminster commenced a retrograde course early in its history. . . . [Yet] Victoria did not attain any solid prosperity while having her interests set above those of [British Columbia]."[61]

Merchants made their unhappiness known during the annexation movement, while British based mercantile firms participated in the fight to bring the capital back to Victoria. Although a lack of unity among

businessmen was obvious during the confederation debate, the Chamber of Commerce began to evolve as the voice of merchants in the community. Despite the incohesiveness of businessmen and their lack of leadership in important issues such as free trade and union, Victoria's commercial potential and the presence of a distinct business community can be consistently noted. It remained for this group of individuals to capitalize on this growing appreciation of Victoria's commercial role and to further define its part in that development.

Footnotes

[1]James Douglas to Sir George Simpson, 30 January 1860, Correspondence Outward, Miscellaneous Letters, 30 November 1859-8 December 1863, PABC.

[2]Colonist, 24 April 1861.

[3]J. D. Pemberton to James Douglas, 12 March 1859, Colonial Correspondence, Lands and Works Department, PABC.

[4]A. C. Anderson to James Douglas, 12 April 1859, Colonial Correspondence, PABC.

[5]Victoria Gazette, 4 June 1859.

[6]Gazette, 5 April 1859.

[7]Colonist, 6 October 1860.

[8]Colonist, 24 April 1861. The Colonist newspaper was founded by De Cosmos in December 1858 to be "an independent paper, the organ of no clique or party, the sure friend of reform." De Cosmos advocated the introduction of responsible government and later Confederation. From October 1863 to June 1866, the Colonist was run by a syndicate of former employees. In July 1866 David Higgins took over the paper and merged his four year old Daily Chronicle with the Colonist. Higgins continued to be the editor until October 1886 when he was replaced by William Ellis and A. G. Sargison. Colonist, Vertical File, PABC.

[9]Colonist, 24 April 1861.

[10]Ibid., 5 July 1862.

[11]Victoria Daily Chronicle, 29 May 1864.

[12]Ibid.

[13]Henderson and Burnaby to James Douglas/W. A. G. Young, 11 April 1862, Colonial Correspondence, PABC.

[14]Chronicle, 29 May 1864.

[15]E. B. Lytton to James Douglas, 7 January 1859, Vancouver Island Despatches from London, PABC.

[16]James Douglas to E. B. Lytton, 23 March 1859, Vancouver Island Despatches to London, PABC.

[17]Ibid.

[18]Ibid., 1 December 1859.

[19]G. M. Sproat to E. O. S. Scholefield, "Free Port," ca. 1908, Correspondence with E. O. S. Scholefield, 1908-1910, Gilbert Malcolm Sproat Papers, PABC.

[20]Constitution and Bylaws of the Chamber of Commerce of Vancouver Island (Victoria: Colonist Printers, 1872), p. 2. The cosmopolitan nature of the Board of Trade distinguishes it somewhat from similar organizations in other communities. In Toronto, for example, the Board of Trade was comprised mainly of men from British, Scottish, and Irish descent. The Board modelled itself on similar British organizations. Similarly, in Winnipeg the Board of Trade was dominated by white Anglo-Saxon protestants to the exclusion of other ethnic segments of the population. Douglas McCalla, "The Commercial Politics of the Toronto Board of Trade, 1850-1860," Canadian Historical Review, L (March 1969), pp. 51-67; Artibise, Winnipeg, pp. 32-37.

[21]Bylaws of the Chamber of Commerce, p. 2. The reference to better regulation of trade refers to the internal business practices of city merchants. For example, an Arbitration Board was quickly struck to handle grievances between merchants in order to encourage high standards of business conduct. Robert McDonald notes a similar bias towards commercial interests in the Vancouver Board of Trade organized in 1887. While it claimed membership from all types of business, its primary purpose was the "commerce of the city" and "the commercial interests" of the business community. Robert A. J. McDonald, "Business Leaders in Early Vancouver, 1890-1914." (Unpublished Ph.D. thesis, University of British Columbia, 1977).

[22]Robert Burnaby to W. A. G. Young, 21 March 1863, Colonial Correspondence, PABC.

[23]Ibid.

[24]British Columbia and Victoria Directory, 1863, pp. 12-20.

[25]New Westminster British Columbian, 21 November 1863.

[26]Hendrickson, Journals of the Colonial Legislatures, p. xli.

[27]Governor Seymour to Edward Cardwell, 17 February 1866, Despatch no. 14, Papers Relative to Union, p. 41.

[28]Colonist, 3 September 1863.

[29]Ibid.

[30]Alexander Begg, History of British Columbia from its Earliest Discovery to the Present Time (Toronto: Williams Briggs, 1894), p. 336.

[31]Colonist, 15 October 1864 and 29 January 1866.

[32]Ross, Bank of Commerce, I, p. 264.

[33]Ibid., I, pp. 309-14.

[34]Edward Graham Alston, Ms. "Historical and Political Summary for Ten Years, 1858-1868," Papers by and relating to Edward Alston, PABC.

[35]Petition from the Chamber of Commerce to the House of Assembly, 27 January 1864, Despatch no. 6, Enclosure 4, Papers Relative to Union, p. 15.

[36]Kennedy to Edward Cardwell, 21 March 1865, Despatch no. 14, Enclosure 4, House of Assembly, 25 January 1865, Papers Relative to Union, pp. 9-11.

[37]Petition from the Chamber of Commerce, 27 January 1864, Papers Relative to Union, pp. 11-14.

[38]Petition to the Right Honourable Edward Cardwell, Her Majesty's Principle Secretary of State for the Colonies from the Merchants, Traders, and others resident, in Victoria, Vancouver Island, Despatch no. 9, Enclosure 11, 12 December 1865, Papers Relative to Union, p. 32.

[39]Petition from the Chamber of Commerce, 27 January 1864, Papers Relative to Union, p. 65.

[40]Colonist, 7 February 1865.

[41]Kennedy to Cardwell, 21 March 1865, Despatch no. 16, Papers Relative to Union, p. 65.

[42]Colonist, 6 March 1865.

[43]Ibid., 10 March 1865.

[44]Kennedy to Cardwell, 21 March 1865, Despatch no. 14, Enclosure 14, House of Assembly, 25 January 1865, Papers Relative to Union, p. 10.

[45]Resolutions of the Chamber of Commerce of Vancouver Island, 6 March 1865, Despatch no. 15, Enclosure 17, Papers Relative to Union, pp. 14-15.

[46]Colonist, 26 September 1866.

[47]"Selim Franklin," Vertical File, PABC.

[48]"Resolutions Passed at a Public Meeting, Victoria, British Columbia," 28 November 1867, NWp 971K R434, PABC.

[49]Ibid.

[50]Begg, History of British Columbia, p. 336.

[51]Willard E. Ireland, ed., "The Annexation Petition of 1869," British Columbia Historical Quarterly, IV (October 1940), pp. 267-87.

[52]Colonist, 11 January 1870.

[53]"H. F. Heisterman," Vertical Files, PABC.

[54]Ireland, "The Annexation Petition," pp. 275-81.

[55]Ibid.

[56]Ibid.

[57]Ibid., p. 275.

[58]John Sebastian Helmcken, The Reminiscences of Doctor John Sebastian Helmcken, Dorothy Blakey-Smith, ed. (Vancouver: University of British Columbia, 1975), p. 248.

[59]Ormsby, British Columbia, p. 227.

[60]Ibid., pp. 247-48.

[61]Governor Seymour to Edward Cardwell, 21 March 1865, Despatch no. 50, Papers Relative to Union, p. 22.

CHAPTER III

THE FURTHERANCE OF COMMERCIAL INTERESTS: THE CHAMBER OF COMMERCE AND THE BOARD OF TRADE

Founded to further commercial interests, the Victoria Chamber of Commerce and its successor, the British Columbia Board of Trade, best typify the aspirations of the merchant community. The minutes of their meetings and their annual reports illustrate the issues of importance to the Chamber. These included transportation and communication links, as well as immigration and trade agreements between British Columbia and its trading partners. The Chamber's initiatives enhanced Victoria's commercial role and contributed to its metropolitan stature in relation to Vancouver Island and British Columbia.

At the same time, the Chamber and the Board served another important function. They provided a forum for the merchants of Victoria to meet and to consolidate into a distinct group. The activities of the Board of Trade especially indicate a small close knit circle of men who cooperated with each other in a variety of business projects. These projects served both the interests of the individual and the community as a whole with the emphasis always directed at commercial enterprise. As the business community prospered so, too, did Victoria's entrepôt role.

Public opinion, or at least the media, approved of the Chamber's inception. The Colonist applauded the decision to organize business interests; earlier in the year it had admonished merchants for not acting

on an 1862 suggestion to create a Chamber of Commerce noting that:

> Circumstances have greatly altered for we are no longer the same town. The large accession to our population and to our businessmen . . . the rapid growth of our trade, presents a much more favourable ground to work upon. . . . We trust some of our energetic businessmen will take hold of the matter and push it through.[1]

The Colonist also agreed with the purpose of the Chamber suggesting it would benefit the trading community, and the paper looked forward to the best results from its establishment.

Early in its organization the Chamber supported the colonial government's harbour improvement plans, and it also successfully petitioned Governor Douglas to re-establish a gold escort corp. A Committee of Arbitration settled internal problems between members of the business community and established fee rates for commercial transactions.[2]

At the same time the Chamber espoused a number of other projects. For example, communication links between Victoria and the mainland and between the island and the United States attracted considerable interest. The Chamber pressed for the installation of telegraph connections from British Columbia to Washington, more steamship connections with San Francisco, and trade reciprocity with the United States.[3] Reciprocity, the Chamber felt, would be "most desireable and advantageous to the interests of the community."[4] Another function taken on by the Chamber was publicizing the assets of the city and providing general information on access and features. For example, in 1866 advertisements placed by the Chamber in Peace River Block News

proclaimed Victoria to be the shortest, safest and cheapest route to the area's extraordinary placer miners.[5]

During the union debate in 1866 the Chamber represented the view of the business community; it unsuccessfully called for the retention of Victoria's free port. Nonetheless, the Chamber continued to speak out on the issue. In 1869 it pointed out to Governor Anthony Musgrave in a written memorial the Chamber's warm support for the principle of free trade, and its battle in 1865 to have Victoria's free port retained.[6] The Chamber's continuing interest in free trade may suggest a reluctance on the part of the Chamber to deal effectively with the new political system and its effect upon Victoria's commercial role.

In 1872 the Chamber reorganized, suggesting a lack of vitality on the part of the organization in the late 1860s. Yet, the body maintained its objectives of promoting commerce and capital investment in the community.[7] Fifty businessmen were members of the Chamber in 1872, among them were G. Grancini, David Levenue, H. F. Heisterman, James Fell, J. F. Davies, J. H. Turner, and R. P. Rithet.[8] Unfortunately, the Chamber continued to be lethargic, and the term of president Henry Rhodes, of Jancon, Rhodes, and Green, commission and insurance agents and importers, 1867-78, was described as "lack lustre."[9]

A further reorganization took place in 1878 when the Chamber of Commerce of Vancouver Island was incorporated as the British Columbia Board of Trade. The move was instigated by R. P. Rithet, an energetic partner in Welch, Rithet & Company, a commission agency.[10] Rithet became the Board's first president, and he oversaw the expansion of the

Board's powers and influence to include responsibility for harbour administration, port wardens, and other matters.[11] The new title reflects the business community's continued objective to promote trade and commerce, while reflecting Victoria's role as the leading commercial centre of the province. Unlike its predecessor, the Chamber of Commerce, the Board of Trade achieved a number of its goals. It became a highly visible organization in the community, and its prestige was paralleled by the growing influence and prosperity of the business community in the 1880s and 1890s.

Nonetheless, its objectives remained the same and continuity between the interests of the Chamber of Commerce and the Board of Trade was demonstrated by the new Board's activities. For its first Annual Report the Board appointed a committee to investigate the problem of dredging the harbour; in 1879 it proposed that dredging take place continually instead of intermittently and that a necessary sum be made available for this work.[12] Items of business considered by the Board in later reports were the establishment of a shipline via Cape Horn to Victoria, the state of the ocean and river fisheries, the construction of a road from Kamloops to Edmonton to open trade in that area, trade arrangements with the Sandwich Islands, and the question of Chinese immigration and labour, which the Board opposed. Further, the Board instigated the first passenger service between Anacortes and Vancouver Island in 1881, as well as greater steamship service between Victoria, Puget Sound, and California.[13]

These annual reports reflect a rapid promotion of the city of

Victoria in general. Included in its appendixes were a multitude of statistics representing the city. For example, labour and wages for all the occupations in Victoria were supplied as well as the prices of retail goods. Still later, the Board was responsible for the publication of pamphlets that extolled the beauty, prosperity, and climate of the province's capital. Reports were also given on the major industries of the province, reflecting the Board's premise that it was the commercial institution of British Columbia, and Victoria the major centre.[14]

The minutes of the Board's meetings contain little reference to any project that was not business oriented; likewise, projects of social significance for the community were generally non-existent with the exception of some interest in education.

The Board's devotion to business is nowhere more apparent than in the promotion of railways which soon tended to dominate its activities. Included in the terms of union between British Columbia and the Dominion of Canada was the promise to build a railway to the Pacific coast. This promise was a key element in negotiations between the two parties and largely accounted for the acceptance of the proposed union by anti-confederationists and even annexationists. To businessmen, it promised economic recovery in rather bleak times, and Victorians generally believed that the city would become the railway's terminus.[15]

To support this belief, businessmen turned to the early railway schemes of Alfred Penderill Waddington. A well travelled and educated Englishman, Waddington came to Victoria in 1858 to establish a

branch of the San Francisco wholesale grocery firm, Dulip and Waddington. There he quickly "developed an abiding faith in [British Columbia's] resources and future," and he wrote and published, at his own expense, The Fraser Mines Vindicated to counter early skepticism about the worth of the early gold strikes.[16] A remarkable man in many ways, Waddington was especially interested in the commercial advancement of Victoria. He was active in the city's incorporation and later in the debate over the establishment of the government mint. As early as 1861, when the news of the Williams Creek gold discoveries was made public, Waddington proposed a mint for Victoria.[17] However, his most ambitious scheme was the Bute Inlet railway proposal. Initially planned as a wagon road, Waddington contended that a route to the north of the Island, crossing the Johnston Straits by way of a suspension bridge to the mainland, would allow Victoria effectively to control the commerce of British Columbia and exploit the resources of the mainland. Shares in the project were bought by Victoria businessmen, but the Bute Inlet wagon-road was never completed; the company went bankrupt in the winter of 1863-64.[18]

Undaunted, Waddington wrote a pamphlet in 1867 proposing a transcontinental railway that would link Victoria, via Bute Inlet, to the mainland. He left Victoria the same year and returned to England to arrange support and financing for his scheme. He was in Ottawa lobbying for his proposed railway when he died there of smallpox on 27 February 1872, after investing the money realized from his extensive Victoria real estage holdings in his proposed road and railway.[19]

Waddington's proposed railroad suggests that as early as 1867 businessmen were aware of the benefits a railroad could provide for a city. To be convinced they had only to look at San Francisco, that other great gold rush metropolis which had continued to thrive during Victoria's years of depression, in part because the Central Pacific Railway linked the city directly with the American midlands. Waddington's proposal was timely in 1872, but Victorians were destined to be disappointed in their attempt to have Victoria made the western terminus of the Canadian Pacific Railway.

The history of the building of the C.P.R. is a complicated and lengthy one. It is sufficient to establish here that the Board of Trade enthusiastically monitored the development of the railway and pursued any matter that dealt specifically with Victoria.[20] Businessmen in the Board of Trade were outraged when Alexander Mackenzie's Liberal government reneged on John A. Macdonald's designation of Victoria or Esquimalt as the western terminus. Mackenzie felt that a more southerly line issuing out to the southern mainland would be more economical, more easily constructed, and even more advantageous in terms of security, lying as it would close to the Canadian American border.[21]

When John A. Macdonald was defeated in the 1878 federal election, Victoria promptly elected him in a by-election, clearly demonstrating that Victorians knew who their friends were. But Macdonald's re-election did nothing to alleviate Victoria's worries; ultimately the southern route was chosen over the central one which would have linked the mainland and the island via the Seymour Narrows,

In 1887 the first trans-Canada train arrived in Vancouver, once only a sawmill settlement, and subsequently a city created by the C.P.R. The changes this meant to Victorian businessmen were manifest, although the Board of Trade had little knowledge at the time of how great these changes would be.

Throughout this period the Board of Trade actively promoted their city as the western terminus of the Pacific railroad. Rhetoric seemed endless on the justification of such a move. Victoria was hailed as the commercial centre of British Columbia; she controlled the finances of the province, and through her port and her merchants' warehouses, goods were distributed to the rest of Vancouver Island and the mainland. As such it seemed obvious to the Board that the capital city should also become the railway terminal. The Board pressed this view continuously, even to the point of providing Amor De Cosmos, M.P. for Victoria in the House of Commons, with publications and funds to lobby the dominion government for the terminus.[22]

The Board of Trade was much concerned about the railway in light of its commercial orientation, but this was not its only involvement in railway schemes. On the contrary, the Board endorsed many railway proposals, especially when it became obvious that Vancouver was going to reap the benefits of the C.P.R. The British Pacific Railway, the Victoria, Vancouver and Eastern Railway, the Coast-Kootenay Railway, and the Canadian Northern were only a few of the proposals the Board was prepared to champion as a means of giving Victoria direct access to the mainland.[23]

Businessmen were also interested in any sort of secondary link that could be established with the Canadian Pacific Railway. For example, the Board laid out a fantastic plan for a connection to the Kootenay area in 1883. It proposed a connection with the C.P.R., presumably via Bute Inlet, at or near Eagle Pass, the construction of a wagon road from Shuswap Lake to the Columbia River; the establishment of a line of steamers on Columbia Lake to connect the wagon road with a railway to be built to Kootenay Lake which would, in turn, connect with another line of steamers to mineral claims. Thus, the wealth of the Kootenays might be exploited by Victoria.[24]

As late as 1891 the Board continued to be obsessed with railway links. A railway committee reported in the year's annual report that communication had been established with all the transcontinental lines present or about to be completed upon the "neighbouring coast for the purpose of ascertaining the best terms upon which transcontinental (all rail) connections with Victoria can be obtained by means of ferry boats, or (bridge work) via Seymour Narrows. . . ."[25] The representatives of seven railways, some never to be built, such as the North American and Victorian, were informed that the Board would be happy to take under consideration "any concrete proposals." Moreover, it assured the railway companies that the corporation of the city had indicated its willingness to "support any well devised scheme for extending railway facilities to Victoria, and [would] give due consideration to any recommendation made by the Board."[26]

The Board also endorsed the Esquimalt-Nanaimo Railway which

Robert Dunsmuir was prepared to undertake in partnership with John Bryden of Nanaimo and the "pacific Quartet": Collis P. Huntington, Mark Hopkins, Leland Stanford, and Charles Crocker of the Southern Pacific Railway.[27] After years of wrangling between the provincial and federal governments as to the status of the E. & N., the federal government in 1884 transferred the Vancouver Island railway land belt and $750,000 to the Dunsmuir syndicate. The Board encouraged Dunsmuir to build the line, one of "great importance," and a subject in which, the business community contended, "the whole of the Province [was] deeply interested."[28] Most important was the effect the line would have upon Victoria where control over the Island resources would be centered. After the E. & N.'s completion the Board subsequently proposed extensions, and improvements to the line.[29] Thus, the commerce of the northern island with its lumber and coal was drawn firmly into the hands of the Victoria business community. Indicative of the support businessmen gave this enterprise is the fact that when E. & N. stock was put up for sale some £44,000 out of a total of £50,000 worth of stock was purchased by the city's merchants and bankers.[30]

The Board of Trade's support for Dunsmuir's Esquimalt and Nanaimo Railway is not the only instance of businessmen supporting fellow businessmen. On the contrary, the Board provided many opportunities for cooperation among its members to further individual enterprises, and valuable contacts could be made joining its ranks.

The membership rolls reveal that every important businessman in Victoria belonged to the Chamber and the Board at one time or

another. Its presidents in particular were prominent members of the mercantile community: Robert Burnaby, 1863-1866; James Lowe, 1866; Henry Rhodes, 1867-78; R. P. Rithet, 1878-85; Jacob Hunter Todd, 1885-87; and Robert Ward, 1887-1891.[31] All these men were commission agents, and this strata of the business community dominated the leadership of the Board. In light of the institution's perceived role and its objectives, it seems natural for the city's most successful merchants to be elected to positions of power, and, at the same time, the active role played by these men reflects the strong commercial orientation of the Board. Still, all types of businessmen belonged to the organization. James Fell, for example, a tea and spice merchant, was an active and consistent member. Joseph Spratt was the owner of the Albion Iron Works; J. A. McCrea was an auctioneer; and bankers such as William C. Ward and A. A. Green were also closely involved with the Board's affairs.[32]

A great deal of private business was carried out between Board members. The experience of Edgar Crow Baker offers a good example of this. Baker was an Englishman and a former full-time naval officer, who came to Victoria in 1874 from Halifax.[33] Immediately he had two advantages, his British heritage which he shared with a number of prominent businessmen, and his naval experience, for the officers of the Royal Navy stationed in Victoria had traditionally played a prominent role in Victoria society. Moreover, Baker's father-in-law was connected with the Hastings sawmill on Burrard Inlet, and Baker found employment as the mill's Victoria agency.[34] He quickly began to meet the members of the business community in this capacity; for example, the firm of

Finlay, Durham and Brodie ordered a cargo of spars and lumber from the mill in 1876.[35]

Baker soon became an accepted member of the business community. He served as the secretary of the Board of Trade from 1878-1885 and provided a meeting room for its deliberations. Baker also played an important role in establishing the Pilotage Board which he served on with other businessmen like R. P. Rithet.[36] Another organization where Baker came into contact with Board of Trade members was the Masonic Lodge. Baker was Grand Master of the Victoria Lodge, founded in 1860, from 1883-1885. Other members included businessmen H. F. Heisterman, R. P. Rithet, Thomas Harris, J. H. Turner, and politicians Simeon Duck and Amor De Cosmos. An important member, for E. C. Baker, was Robert Burns McMicking who followed Baker as Grand Master and became one of his closest business associates.[37]

In 1878 Baker succeeded in having his naval half pay commuted into a lump sum payment[38]; for the first time he had capital to invest in commercial ventures, and by this time he had made significant business contacts, especially among the members of the Board of Trade. He used these contacts extensively in real estate transactions and mining speculation. For example, in 1878 he purchased shares in the British Columbia Milling and Mining Company; its directors included J. H. Turner, J. H. Todd, and Charles Redfern, a jeweller and future mayor of Victoria.[39]

Comparable to E. C. Baker is Robert Patterson Rithet. Born in Applegarth, Scotland, Rithet trained in a merchant's office in Liverpool

before coming to Victoria in 1862. He first found employment with G. M. Sproat and Co. He worked in the Victoria and San Francisco branches of the office before buying out the business of J. Robertson Stewart in 1871. In partnership with Andrew Welch, Rithet managed the Victoria agency of Welch, Rithet and Co., while Andrew Welch remained in San Francisco.[40] Over this short period of time, Rithet became acquainted with many of the city's business community, all of whom were members of the Board of Trade. He had business relations with James Fell and Carlo Bossi, and enjoyed a close relationship with J. H. Todd. Todd, in fact, offered Rithet help in taking over Stewart's business.[41]

The importance of these connections are obvious in Rithet's case. As a commission agent he stood to profit when friends and acquaintances, such as James Fell, placed orders for goods through his agency. Moreover, close ties with other merchants through the Board of Trade allowed Rithet to make judgements on the business aptitudes of his prospective customers. In a letter to his employer in 1868 Rithet informed Sproat that he endeavoured "to get all the information I can about businessmen in whom we are interested."[42] J. Stahlschmidt, for example, was "not doing too well" as he gave everyone upcountry credit, and James Fell, although willing to place orders with Rithet, was a man inclined "to be troublesome."[43] While in San Francisco, Rithet frequently saw Victorians like James Lowe when they were visiting the Californian city on business. After he returned to Victoria in 1870 to work for J. Robertson Stewart, Rithet had even greater opportunity to observe his fellow merchants.

An important contact for all of Victoria's business community was William Curtis Ward, who from 1866-96 was the manager of the Bank of British Columbia, the British based bank that largely funded the commercial enterprises of the city's merchants. Ward was an active member of the Chamber and was the president of the Board of Trade in 1899. Ward's own description of his function as principle financeer of the city stresses the importance of the bank's dealings with merchants: "I was in control of the Bank which was the chief financial establishment in British Columbia and was the Banker for the Imperial, Colonial, and subsequently the Dominion, and Provincial governments and was the principal factor in moulding the mercantile foundations of British Columbia, commencing as it did in the day of small things and growing with the development of the Province."[44] Every leading businessman had some dealings with the Bank of British Columbia and W. C. Ward. Rithet, in particular, seems to have enjoyed a close relationship with the banker. He was persuaded by Ward to place orders on behalf of Stewart's company through Andrew Welch in San Francisco, a relationship which became a very successful one for both Rithet and Welch, resulting as it did in a flourishing partnership.[45] It was to Ward that Rithet turned for information about business associates. From "frequent conversations with Mr. Ward," Rithet gained valuable information about fellow merchants. In addition, Ward oversaw the transfer of J. Robertson Stewart to Welch, Rithet & Co. This relationship between Ward and Rithet was by no means unique.

During his sojourn in San Francisco, the importance of these

contacts became obvious. Although the potential for success in San Francisco was great, he was unknown in the city and business suffered because of it. He found that it took some time in "getting the knowledge of things" and finding a market for the British goods in which Sproat dealt, and only after he became better known in business circles could he expect to "succeed better on that account."[46] Once back in Victoria and managing his own business, Rithet stressed the value of his contacts in a letter to an associate informing him of his latest business arrangements. "[There is] a new firm on Wharf Street, Welch, Rithet & Co. Such is the name of the successors of J. Robertson Stewart of which your humble Servant forms a half; now in reality have I entered upon turmoil of business, the result of which I dread to anticipate but am hopeful of success . . . with the House in San Francisco and in Liverpool we ought to make a business, our outside connections are also tip top."[47] If the outside connections Rithet inherited with Stewart's business, such as the Walker and Allen Agency in Honolulu, were in good condition, Rithet's Victoria relationships were already progressing well. These connections involved men from the Chamber of Commerce, fellow merchants who used Rithet's commission agency to place orders. One such man was Jules Rueff, a founding member of the Chamber of Commerce in 1863. In his habit of carefully evaluating each business contact, Rithet found Rueff to be "an excellent man" and willing to place orders through Welch, Rithet & Co. for goods from England.[48] Moreover, Rithet was confident that other merchants would follow suit after he had consulted them on the matter.

This style of doing business was common. H. F. Heisterman, for example, travelled to British Columbia on the Sierra Nevada at the same time as Rithet, and he opened a reading room and merchants exchange in 1862. For two dollars a month subscribers could read newspapers from all parts of the world and use the adjoining chess and smoking room, while the latest news of the day was posted on a bulletin board.[49] Certainly Heisterman's reading room gave him an opportunity to acquaint himself with the city's business community as did the Chamber of Commerce which he joined at its inception. Following a short-lived career as a dealer in wholesale paints and glass, Heisterman opened a real estate company in 1864. He became involved in extensive property dealings and numbered among his colleagues his one-time fellow passenger, R. P. Rithet, as well as E. C. Baker.[50]

Yet another example of the close ties between the merchant community and Board of Trade members is the relationship between Rithet and Robert Ward, the brother of W. C. Ward, who began working for Welch, Rithet & Co. in 1871, and no doubt came highly recommended for the job by his brother. Rithet himself was very pleased with Robert Ward, advising his partner, Andrew Welch, that "you need have no fear about Ward's friendship . . . we know and understand each other so well that I feel confident he will do all he can to further our views at any time. . . ."[51] Just as Rithet himself eventually procured his own business after a period of "apprenticeship" in the new community, Robert Ward also left Welch, Rithet & Co. to become a partner with J. Stahlschmidt in 1876. Stahlschmidt had in fact followed a similar

pattern buying out the firm of Henderson & Burnaby established in 1862.[52] Like Rithet and Stahlschmidt, Robert Ward went on in his own business to become a commission agent and an active Board of Trade member. He was the institution's president from 1887-91. C. E. Renouf was another merchant who got his start with R. P. Rithet's firm.

* * *

In effect, the Board of Trade served two purposes; its principal function was to act as a forum for business interests in the larger context of the community, and a second function was the opportunity it gave merchants to know one another and cooperate in a variety of business enterprises. The importance of this role lies in the fact that as the mercantile community prospered, so, too, would Victoria's commercial status. It also contributed to a consolidation in the ranks of businessmen, a trend which contributed to the development of a close circle of true entrepreneurs.

Footnotes

[1]Colonist, 31 May 1862.

[2]"Chamber of Commerce," Vertical File, PABC.

[3]See, for example, British Columbia, Board of Trade, Annual Reports, 1879-80, 1880-81, 1881-82 (Victoria: Colonist Printers, 1880, 1881, 1882). (Unpublished minutes, 1865, 1879, Chamber of Commerce office, Victoria).

[4]Chamber of Commerce of Vancouver Island, 14 October 1865 (unpublished minutes, Chamber of Commerce office, Victoria).

[5]"Chamber of Commerce," Vertical Files, PABC.

[6]Victoria Daily Times, Royal Souvenir Number, October 1901, p. 10.

[7]"Chamber of Commerce," Vertical File, PABC.

[8]Ibid.

[9]"Chamber of Commerce," Vertical File, PABC.

[10]"R. P. Rithet, Esq." The Resources of British Columbia, I (July 1883), p. 11.

[11]Daily Times, October 1901, p. 10.

[12]British Columbia Board of Trade, Annual Report, 1879-1880 (Victoria: Colonist Printers, 1880).

[13]Chamber of Commerce, 100 Years, p. 8.

[14]Board of Trade, Annual Reports 1879-1880; 1880-1881; 1882-1883 (Victoria: Colonist Printers).

[15]In the federal House of Commons, Victoria M.P. Amor De Cosmos pressed H. L. Langevin, Minister of Public Works, as to the location of the western terminus of the railway. Langevin replied it was intended to carry the line to Esquimalt, if it proved to be practical. In June 1873 an Order-in-Council designated Esquimalt as the western terminus. These actions and the appearance of surveyors in Esquimalt convinced Victoria that the government intended to bring the railway to the island. E. O. S. Scholefield and F. W. Howay, British Columbia from the Earliest Times to the Present (Vancouver: S. J. Clarke Publishing

Company, 1914), II, p. 353.

[16]Waddington, Fraser Mines Vindicated, p. 2.

[17]"Alfred Waddington," Vertical File, PABC.

[18]Ibid.

[19]Ibid.

[20]See, for example, British Columbia Board of Trade (unpublished minutes, 1885, Chamber of Commerce office, Victoria).

[21]Ormsby, British Columbia, p. 279.

[22]Board of Trade, Annual Report, 1880-1881 (Victoria: Colonist Printers, 1881); (unpublished minutes, 1880-1881).

[23]Board of Trade, Annual Report, 1883-1884 (Victoria: Colonist Printers, 1884).

[24]Ibid.

[25]Board of Trade, Annual Report, 1891 (Victoria: Colonist Printers, 1891), p. 39.

[26]Ibid.

[27]Scholefield, British Columbia, II, p. 415.

[28]Board of Trade, Annual Report, 1883-1884 (Victoria: Colonist Printers, 1884), p. 40.

[29]Ibid.

[30]Colonist, 22 November 1962.

[31]Constitution and Bylaws of the Chamber of Commerce of Vancouver Island (Victoria: Colonist Printers, 1872), pp. 1-2.

[32]British Columbia Board of Trade, Acts of Incorporation and Bylaws of British Columbia Board of Trade (Victoria: Colonist Printers, 1879), pp. 2-3.

[33]"E. C. Baker," Vertical File, PABC.

[34]Ibid.

[35]Miscellaneous Document, 1876, Business Records 1866-1885, Finlay, Durham, and Brodie, PABC.

[36]"E. C. Baker," Vertical File, PABC; Colonist, 8 July 1882; "R. P. Rithet," Vertical File, PABC.

[37]Masonic Order, History of the Grand Lodge of British Columbia, 1871-1970 (Victoria: Colonist Printers, 1971), p. 21.

[38]Edgar Crow Baker, 8 May 1878, Diary for 1878, E. C. Baker Diaries PABC.

[39]Ibid., 8 May 1878.

[40]"R. P. Rithet," Vertical File, PABC; Rithet Family Papers, Finding Aid, PABC.

[41]R. P. Rithet to J. H. Todd, 14 August 1871, Letterbook VII, Rithet Family Papers, PABC.

[42]Rithet to G. M. Sproat, 11 December 1868, Letterbook VII, Rithet Family Papers, PABC.

[43]Ibid.

[44]William Curtis Ward to British Columbia Historical Association, 7 March 1911, British Columbia Historical Association Originals, 1911, PABC.

[45]Rithet to Andrew Welch, 9 May 1871, Letterbook VII, Rithet Family Papers, PABC.

[46]Rithet to Mr. Johnson, 16 March 1869, Letterbook VII, Rithet Family Papers, PABC.

[47]Rithet to Mr. Clapperton, 28 August 1871, Letterbook VII, Rithet Family Papers, PABC.

[48]Ibid.

[49]"H. F. Heisterman," Vertical File, PABC.

[50]Ibid., E. C. Baker, Diary excerpts, 1879-1880, Baker Papers, PABC.

[51]Rithet to Andrew Welch, 9 September 1871, Letterbook VII, Rithet Family Papers, PABC.

[52]"Robert Ward," Vertical File, PABC.

CHAPTER IV

INCORPORATION, MUNICIPAL GOVERNMENT, AND THE PROVISION OF SERVICES

The incorporation of the city of Victoria, 2 August 1862, offered businessmen an opportunity to play an active role in the development of the city and to enunciate a direction for that growth. Participation in the City Council reinforced the image of a distinct business community within the larger context of Victoria. Because the initiatives of the Council would be so similar in scope and intent to those of the Chamber and the Board, the association of the two under the leadership of one group would become commonplace. Again, the emphasis was always on commercial growth, and businessmen, as politicians, continued to endorse a variety of proposals whose goals were to strengthen Victoria's entrepôt status.

Further reflecting Victoria's development as a city was the establishment of various utilities such as gas works, electricity, and a telephone system. In a period where cities competed strenuously with one another to be the biggest and the best, modern utilities were a sign of progress and sources of civic pride. The roles of the city council of Victoria and the mercantile community in establishing these services shows that individual businessmen provided the initiative to develop utilities, while council concerned itself primarily with supporting the most economic alternative to lighting the city and maintaining a telephone system.[1]

Victoria's incorporation under a special charter, or letters patent, expanded in 1867 and replaced in 1872, reflected the lack of a comprehensive system of local government in the colony. During the colonial period, the Borough Ordinance of 1865 empowered the governor to grant municipal status if "in his opinion a sufficient proportion of the residents in any town or place in the colony so petitioned."[2]

The influence of the governor in local government was specifically clear in the 1862 Act to Incorporate the City of Victoria. It contained a provision for the disallowance of by-laws by the governor who could either veto municipal legislation or refer it to the electors for a vote.[3] Indeed, many projects crucial to the commercial growth of Victoria, such as free port status and harbour improvements, had been acted upon before incorporation. One might have expected the responsibility for these issues to be within the realm of local government, and the governor might have encouraged the incorporation of Victoria at an earlier date to implement these projects.

If Victoria differed from other Canadian cities in that its incorporation took the form of a special bill in the absence of any established municipal system, its charter also had many similarities to other jurisdictions. Victoria had in common with the Ontario system the provision of a ward system and property qualifications for aldermen and mayors. The Charter included thirty sections and included among the city's powers the right to regulate traffic; to maintain, repair, and construct highways, wharves and bridges; to establish public markets; and to provide for the drainage and sewerage of the city.[4] It is not

surprising that Victoria emulated Ontario with regard to incorporation; Upper Canada provided a model for many provinces, including Manitoba, and geographically, it provided the most accessible institutions. The Colonist often referred to Ontario as a precedent.[5]

Victoria's incorporation legislation made provision for a council consisting of a mayor and six councillors, two from each of the three wards: Yates Street, Johnson Street, and James Bay. Candidates for election had to be British subjects and residents of Vancouver Island for at least six months; they were required to have property assessed in value of £50 freehold or £150 leasehold. The franchise was restricted to those British citizens with three months residency on Vancouver Island, and a freehold or leasehold assessment rate in the amount of £20. Eligible citizens could vote in whatever wards they held property.[6]

Controversy over the limits of the franchise followed the bill's passage. Public opinion in 1861 had favoured a liberal incorporation act, and in 1862 the Colonist pointed out the bill's bias in favour of property owners and British subjects.[7] Although Speaker of the House J. H. Helmcken raised the issue in the House, a motion extending enfranchisement to aliens was defeated. Thus, the Incorporation Act was rather conservative in its scope and clearly reflected the prejudices of Governor Douglas and his government.[8] The Victoria Daily Press estimated that out of a population of 3,500 adult males only 400 were eligible to vote. With approximately 1,000 of the total population being foreign born, only one out of every six British

subjects was qualified to vote for the first city council, and of these only 213 actually turned out to cast their vote.[9]

The franchise definitely favoured the business community, especially the British element of wholesale merchants. Some businessmen, such as H. F. Heisterman and Lumley Franklin, had been naturalized as British subjects during a residence in England. Businessmen were active in the incorporation movement, although only on an individual basis. David Leveneu, an Englishman with a feed and grain business who had come to Victoria via San Francisco in 1858, was especially active, and others such as Alfred Waddington took part in public meetings.[10] Robert Burnaby, a member of the Legislative Assembly, voted in favour of Helmcken's motion to extend the franchise, while Selim Franklin did not. Franklin, a British subject who came to Victoria in 1858 from San Francisco where he had been a well established merchant, was a real estate agent. His brother, Lumley Franklin, was the first British auctioneer in the colony, and the brothers were prominent members of the Jewish and business communities.[11]

As a group, however, merchants first came to the fore during the initial civic election. Because eligibility requirements required all candidates to be British property or leaseholders, businessmen were ideal nominees. Thomas Harris, a butcher, sometime contractor and real estate investor, became the city's first mayor; his platform made much of his tradesman status. Of the six aldermen elected, three were merchants: John Copeland, James Reid, and Michael Stronach. The other three council members were W. H. Searby, a druggist, Richard Lewis, an

architect, and Nathaniel M. Hicks, a clerk. Mifflin Gibbs and David Leveneu were among the losers in the election.[12]

Business interests continued to be represented on council for the next forty years. This included the position of mayor of Victoria. Thomas Harris was Victoria's mayor for four one year terms, 1862-1865. Lumley Franklin replaced him in 1866, becoming the first Jewish mayor of a city in British North America. In 1875 J. A. Drummond, a merchant dealing in stoves and hardware, was elected to the office and served two terms. A lawyer, M. W. T. Drake, who was a member of the British Columbia Board of Trade, followed Drummond for one term, and J. H. Turner was Victoria's mayor for three terms, 1879-1881. R. P. Rithet occupied the seat in 1885, and for two years, 1886-87, James Fell headed the council. John Grant, engaged in business throughout British Columbia in freighting, mining, and shipping, was mayor for four terms, 1888-1891. A merchant and entrepreneur, Robert Beaven, succeeded Grant and served three terms. The final years of the 1890s saw a jeweller, Charles E. Redfern, in office.[13]

There were numerous businessmen among the council as well. These included Mifflin Gibbs, elected to the council in 1867 from the silk-stocking ward of James Bay and the only member of the Black community ever elected. He was an alderman for three years. James Fell was twice a councillor before becoming mayor as were J. W. Turner, E. C. Baker, J. H. Todd and a number of other merchants.[14] The fact that Victorians consistently elected businessmen to council suggests the electors felt it was these men who would best serve the interests of the city.

Not all mayors were businessmen during this period. Richard Lewis, for example, was mayor for one year in 1872; Doctor James Trimble held the seat for three years, 1868-1870. William J. Macdonald, a one time Hudson's Bay employee who went on to become a senator, was mayor in 1867. Macdonald was a merchant for a short time before devoting his time to politics. A. Rocke Robertson, a lawyer and senator, enjoyed one year, 1871, in office. Yet for the majority of years the position of mayor was held by a businessman, and these included simple retailers, one tradesman (Thomas Harris, who expanded his interests after his election), as well as the commission agents.[15]

There were close ties between the City Council and the Board of Trade. The majority of businessmen active in municipal politics belonged to the Board so the two institutions shared similar priorities and views. The greatest discrepancies lay in the fact that the Board had little obligation to the citizens of Victoria and therefore could direct its energies entirely to business, rather than civic or philanthropic interests. The City Council was of course responsible to the voters, but this did not preclude a bias towards business principles.

Initially council had some problems establishing its authority. Its efforts were consistently hampered by a flaw in the 1862 Incorporation Act, which did not specifically authorize the council to impose taxation. Revenue was raised through trade licences and a small tax on personal property although there was considerable debate about the council's right to impose even these measures.[16]

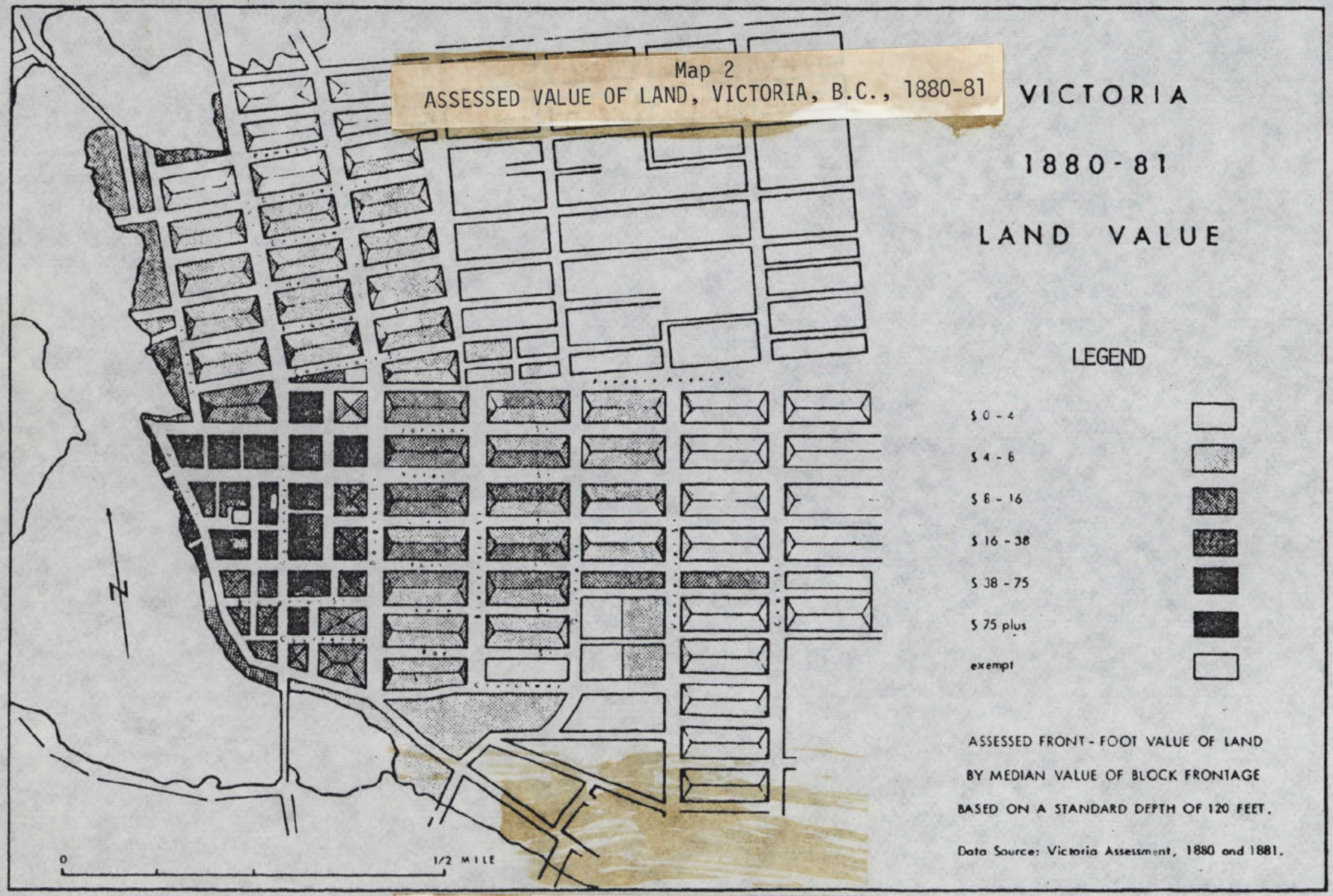
The inability to raise substantial revenue contributed to weak

municipal government. An ordinance in 1867 strengthened the powers of the city, and council found a permanent home in 1878 when the first wing of Victoria's city hall was completed. The early business of the council, aside from the taxation issue, was of a general nature; tenders were invited to design a corporate seal, and the rate of travel for horses and vehicles was set at eight miles per hour, while traffic was confined to the left hand side of the road.[17]

Business interests were also a priority. In October 1862 the council petitioned the governor to improve the inner harbour,[18] and in May 1863 it asked the government to remove the Songhees Indian reserve from the Inner Harbour area. This prime commercial space was considered too valuable to be reserved to the native population.[19]

Council's interest in commercial enterprise came to a head in the 1880s. For example, in his report for 1888, Mayor John Grant maintained that "all matters and things that will in any way promote and induce substantial growth and prosperity in the city ought to have attention."[20] Accordingly, City Council was prepared to make a number of concessions to manufacturers who might be persuaded to locate in Victoria. In 1888 Mount Royal Milling and Manufacturing Ltd. responded to the city's offer of special water rates and exemption from municipal taxes for fifteen years and installed a rice mill in Victoria.[21] Similarly, a flour mill, which was also given a $10,000 cash bonus, opened the following year. Both ceased to operate when the concessions ended. A sugar mill and a paper mill considered the council's inducements, but were never established.[22] The fact that John Grant was

Map 2
ASSESSED VALUE OF LAND, VICTORIA, B.C., 1880-81



Source: Floyd, P. D. "The Human Geography of Southeastern Vancouver Island, 1842-1891." Unpublished M.A. thesis, University of Victoria, 1969.

elected mayor four years in succession suggests that Victorians approved of the council's policy.

Still later, like their fellow businessmen in the Board of Trade, city officials also tried to secure for Victoria a railway link to the mainland. A railroad was vital for Victoria's commercial prestige, and in this the council and the Board supported one another. Indeed, in 1891 the Board assured the representatives of seven railway promoters that the city would support any concrete proposals for a rail link that the Board recommended.[23] A city by-law of 1889 promised an interest bonus to the proposed, but never built, Victoria, Saanich, and New Westminster Railway, while in 1892 the city agreed to guarantee three per cent of the interest payments incurred by the proposed and built, Victoria and Sidney Railroad. In addition, the council headed by Robert Beaven also exempted the railroad from all taxation on the right of way land within the city limits.[24] Victorians whole-heartedly supported these ventures; in 1897 a public meeting was held at which both citizens and council urged the provincial government to give financial aid to the Victoria, Vancouver, and Eastern Railway and Navigation Company, which promised to link Victoria with the mineral rich Kootenay area.[25] By 1900 council had modified its expectations but not their financial support for railways. It offered to give a Victoria syndicate a cash bonus of $15,000 per year for twenty years to build and operate a railway and ferry car service between the city and the mainland.[26] The importance of a rail link was a priority for all of Victoria's businessmen whether they served on the City Council or the

/Board of Trade./

Although businessmen agreed it was important to enhance the city's metropolitan role with harbour improvements, railways, and manufacturing, they were not always unanimous in their perception of how city hall should be run. Throughout the period of 1870-1900 various factions of the mercantile community occasionally sparred with each other, and charges of corruption and mismanagement were common. Public reaction was noted by the press, and in 1871 the Colonist contended that the manner in which contracts for road work were issued and fulfilled was "loose" if not dishonest. The council was at that time led by A. R. Robertson, a lawyer, who had been supported in his bid for election by numerous businessmen including James Fell, R. P. Rithet, Robert Burnaby, H. F. Heisterman, David Leveneu, and David Spencer.[27] The latter, who owned a prominent Victoria department store, was one of Robertson's aldermen. In 1875 controversy erupted over the election of another businessman, J. S. Drummond. His opponent maintained that Drummond's election had been secured only because a large number of people, like the Chinese, had been allowed to vote. However, Drummond's election stood, and he was mayor for two years.[28]

Although the council had consistent representation from all parts of the business community since its inception, a group of individual merchants were instrumental in organizing a "reform movement" in 1876. Their complaints were general and related to alleged financial mismanagement. In November 1876 a public meeting of ratepayers took place to measure public support for reform candidates in the upcoming

election. Among the candidates selected were J. H. Turner, who became mayor three years later; A. McLean, the owner of a clothing store, the "Scotch House"; Thomas Earle, the spice and tea merchant; and T. H. Todd, a commission merchant.[29] Therefore, the public continued to feel that business interests had a legitimate place on the council, despite the allegations.

Again in 1891 factions of the business community were in disagreement. John Grant was retiring as mayor and Robert Beaven, a commission merchant, was elected. At the same time scandal rocked city hall. A number of "respectable and influential citizens who [had] a large interest in the prosperity of the city" demanded the formation of a Royal Commission to look into the affairs of City Council.[30] The majority of these were businessmen and included Joseph Boscowitz, E. A. McQuade, David Spencer, T. M. Henderson, Thomas Shotbolt, Carlo Bossi, H. F. Heisterman, and E. B. Marvin. They urged the government to investigate charges that council was guilty of excessive expenditure; they accused the council of passing loan by-laws without public approval and also suggested that contracts for public works had been incorrectly tendered. In addition, these gentlemen complained that high taxes were retarding growth.[31] Thus a group of influential businessmen demanded an accounting of City Council, which had in the past five years been dominated by business interests.

The subsequent Royal Commission substantiated the charges,[32] and the electors reacted by forming a Citizen's Association. The mandate of the Association was to "assist the . . . many businessmen and

/others who would make the most suitable men for aldermen [and] had been debarred from running through lack of time."[33] J. H. Turner was quick to point out that it was not just a businessman's organization for the Association welcomed artisans and workingmen who were also "interested in seeing the affairs of the city placed in the hands of the most capable and energetic who would use their best efforts to carry on the business of the city on business lines."[34] In essence, businessmen clearly thought themselves to be the most capable of running City Council, and they expected all Victorians to support them in this belief. They were not let down, for the Colonist pronounced the Citizen's Association platform a good one and all the candidates to be "men of intelligence and energy . . . all, in the proper sense businessmen [with] the interests of the city at heart."[35] To succeed John Grant as mayor, Victorians chose yet another businessman, Robert Beaven./

In addition to its efforts to enhance the commercial status of Victoria by attracting manufacturing interests, council also enacted a number of by-laws to provide services to the city. There seems to have been a genuine effort to make the city a cleaner and better place to live. For example, in 1873 council passed a by-law authorizing the construction of a water works to guarantee an adequate supply of water for the city.[36] This act followed growing public concern about the quality of water being supplied by the independent Spring Ridge Waterworks Company as well as the growing occurrences of diptheria and other diseases that indicated impurities in the water system.[37]

Throughout the 1880s and 1890s council expanded the water works to provide cleaner water, to meet the demands of Victoria's growing population, and to make the service financially sound.[38]

Sewage disposal was another concern of City Council; in fact the need for adequate sewage disposal had been one of the significant factors prompting municipal incorporation in 1863.[39] In 1888 council proposed a by-law to raise the sum of $30,000 for sewerage purposes. It was defeated but council continued to press for appropriate servicing and ultimately sewerage commissioners were appointed and a sewerage assessment by-law was enacted in 1894.[40]

Other actions taken early by council which would make Victoria a more liveable city included a provision that slaughter houses be located outside city limits and that animals not be allowed to roam the streets. Later council regulated the removal of "nuisances" deemed detrimental to public health, the nature of street and sidewalk traffic, and the construction and removal of buildings.[41] The latter by-law, passed in 1887, limited the growth of wooden buildings. It is clear that despite council's preoccupation with railways, manufacturing establishments, and other proposals to increase the economic base of the city, it was also interested in more practical and citizen-oriented concerns such as water works and sewage.[42]

The assumption that business interests had a legitimate role to play in local politics was also manifest at the provincial level. Two of Victoria's mayors became premiers: Robert Beaven, 13 June 1882-27 January 1883; and J. H. Turner, 4 March 1895-8 August 1898, while the

city of Victoria consistently elected businessmen to the Legislative Assembly. Among them were Robert Beaven, 1871-1882; J. S. Drummond, 1878; Simeon Duck, whose firm manufactured wagons, 1871, 1882-1885, and 1888; John Grant, 1890; and R. P. Rithet, 1894. An engineer who purchased a hardware agency, Edward Gawler Prior, became an MLA in 1886; he subsequently became premier and Lieutenant-Governor of British Columbia.[43] Equally successful, J. H. Turner went on to an appointment as London's Agent-General for British Columbia in 1901, a position he inherited from his old business partner, H. C. Beeton.

Victoria's representatives in the provincial legislature reflected the government's tendency to be dominated by business interests. Robert Beavan and Simeon Duck were MLAs in 1882 along with two lawyers, Theodore Davie and M. W. T. Drake, a former mayor of Victoria and member of the Board of Trade. In 1886 Beavan and Davie were returned and joined by E. G. Prior and J. H. Turner. Four years later, John Grant and George Lawson, a business associate of R. P. Rithet, sat in the House with Beavan and Turner. In 1899 three of Victoria's members resigned because of business dealings with the government and were re-elected in a February 2, 1899 by-election.[44]

Already identified at the local level with the promotion of railroad schemes, businessmen pursued this interest in a provincial forum as well, especially during the years of Turner's premiership. Premier Turner seemed eager to promote railway development as evidenced by negotiations with promoters such as Dunsmuir and R. P. Rithet, a business partner, who promoted the British Pacific Railway. The British

Pacific Railway revived the old Waddington scheme of a rail link between Victoria and the mainland via the Seymour Narrows and was the subject of much discussion between Rithet and Turner in 1896. Supported by British capital, Rithet's syndicate demanded from the government a cash subsidy of $3,790,500 and a land grant for the section of rail between Bute Inlet and Quesnelle alone.[45] The alienation of land and natural resources seemed commonplace under these business-oriented governments, and large amounts of land allocated for settlement were given to railway promoters.[46]

More blatant favouritism was shown by the government during times of labour unrest. For example, when Robert Dunsmuir's Wellington mines were shut down by striking coal miners in 1876, the government sent in the militia to quell rioting miners and protect the men Dunsmuir imported to break up the strike.[47] Businessmen in Victoria held unions in contempt. Like the native population the working class had few rights, and the government's priority was the enhancement of private enterprise. This attitude was still current in 1902 when E. G. Prior, president of a hardware company, became the premier of British Columbia after James Dunsmuir stepped down. Prior considered his mandate to be the erection of "a stable government on a thoroughly business basis" while containing, as he phrased it, "the forces of disorder."[48]

Representing Victoria at the federal level during the 1880s and 1890s were two prominent businessmen: E. C. Baker and Thomas Earle. Here, too, business interests were pursued on behalf of all Victorians. Issues raised by federal members included improvements to Victoria's

harbour and railway promotion.[49] Baker especially found federal politics to be mutually beneficial to the business community and the city as a whole.

In parliament Baker lobbied for inclusion of the E. & N. as part of the C.P.R. Settlement Act; this would not only give Victoria a railway terminus, which generally was good for business, but it would also profit him directly because he held real estate in the city. With a number of people like R. P. Rithet and Joshua Davies, Baker invested in Burrard Inlet real estate, the C.P.R. terminus location, on the advice of A. W. Ross, the real estate advisor for the railway and a contact Baker had made in Ottawa. Similarly, when Baker helped get Premier Turner's Shuswap & Okanagan Railway Bill passed in the federal parliament, he was rewarded by Turner when the provincial government reduced his timber assessment for taxes by fifty per cent.[50]

Amor De Cosmos also lobbied the federal government on behalf of Victoria and the E. & N. Railway. He corresponded with Robert Beavan, MLA from Victoria, on the subject over the period December 1880 to April 1882 keeping him abreast of the negotiations.[51]

Following the incorporation of Victoria, business interests were thus consistently represented at all levels of political activity. Despite scandals at the local and provincial levels, the electors continued to give businessmen a leadership role. Individual businessmen such as Dunsmuir, profited from this attitude and from council's initial reluctance to become involved in providing public utilities such as gas and electricity.

As early as 1859 the Legislative Assembly had been petitioned by a group of men, headed by John Thomas Little, a commission merchant, who desired to incorporate a company to supply Victoria with gas. In addition they asked that an exclusive right to do so be granted for an unspecified number of years.[52] In the House Amor De Cosmos objected to the idea of a monopoly. He declared that competition and not exclusive privilege would best serve the interests of the people. The House agreed with him and rejected the petition. Undaunted, Little and his associates, who included Robert Burnaby, E. Grancini, and J. J. Southgate, formed the Victoria Gas Company in November of 1860. They modified their demands and asked for a five year monopoly in order to recoup the initial investment they were prepared to make in establishing the gas works.[53]

The Assembly obviously agreed with this plan, for the first street lighting appeared in October 1862. J. D. Carroll's liquor store, the "Brown Jug," was chosen to receive the first benefits of illumination. The following year the company was offering to install posts and lamps for a sum of thirty-five dollars. A connection with the gas mains cost a further $17.50 each. By 1865 pipes were laid in all the main streets, and many stores were taking advantage of the service because gas was more economical than oil or paraffin for lighting purposes. The company itself was financially sound with a cash balance of $9,817.70.[54]

Gas continued to be the primary source of lighting until the introduction of electricity in 1882. The Gas Company, however, was not

always popular with either the consumers or city council. Council under Mayor Thomas Harris compelled the company to pay taxes in 1863, despite the fact that the company's shareholders were fellow businessmen.[55] Customers frequently complained about high prices and poor service, and council consistently supported the consumers. In 1878 the gas company halted its service when council demanded a rate reduction as a prerequisite of a new contract.[56]

Service was restored in seven months, but the days of gas illumination were numbered for City Council began to consider using electricity, the most modern of utilities, in 1881, partly because of dissatisfaction with the service of the Victoria Gas Company.[57]

The invention that made electric arc lighting possible for commercial purposes had been developed in 1876. Seven years later Robert Burns McMicking signed an agreement with City Council to establish and maintain commercial electric lighting for eight years. McMicking was a Canadian of Scottish descent. In 1862 he and his brother joined the Overlanders Expedition which left Ontario to journey to the Cariboo gold fields. McMicking had been trained as a telegrapher in Montreal; in Quesnel he put this talent to use and became the agent for the Collins Overland Telegraph. When the Atlantic cable was successfully laid in 1866, the Collins Overland Telegraph became obsolete before completion, and McMicking subsequently settled in Victoria in 1870 as the agent for Western Union Telegraph and the manager of the Victoria Telegraph Office.[58] Although not a businessman in the same sense as R. P. Rithet or J. J. Southgate, McMicking's

utility projects granted him access to this circle, and his close business relations with E. C. Baker, already established among the mercantile community, enhanced his standing. These two men first became acquainted through their participation in the Masonic organization, and they became partners in the electrical utility business.

The electric lighting system McMicking proposed was to have the illumination power of 50,000 candles, and three 150 foot masts were erected on the corners of Yates and Government Streets, Blanshard and Burdett Streets, and Blanshard and Chatham Streets. Each mast carried four or five arc lamps, and the system, put into service in December 1883, was designed initially to illuminate only the most populous areas of the city.[59] In 1885 the city took over the system, in part because of complaints from citizens, and it was improved and expanded. The mayor at the time was R. P. Rithet, who became a director of the Victoria Electric Illuminating Company in 1886. Another motive for the council's decision to take over the company was E. C. Baker's financial problems. Baker lobbied council members to assume responsibility for the utility when he could not meet his financial obligations,[60] thus the immediate impetus for Victoria's experience with a publicly owned lighting utility came out "not from an ideological commitment to collective ownership . . . but from the need of a prominent citizen, Edgar Crow Baker, M.P., to be bailed out of an embarrassing financial position."[61] The businessmen on council, Rithet, Thomas Earle, John Grant and Robert Ward, assisted their fellow entrepreneur, although this was done in the interests of the community as well.

The city lighting system pioneered by McMicking experienced years of difficulties and expense, and it was revamped again in 1889. Nonetheless, it soon had a competitor in the Victoria Electric Illuminating Company managed by Baker. The company offered incandescent lighting and was especially active in supplying large offices, stores, and public buildings. Thus private enterprise in the field of public utilities continued to be a factor, for the city owned only the street lighting system.[62] Finally, in 1894 City Council dealt conclusively with the issue of electrical lighting by improving and expanding the city owned utility while declining offers from the Victoria Electric Illuminating Company, the Gas Company, and the National Electric Tramway and Lighting Company to provide their services. The city hoped to save money in the long run by improving the system, and on this basis Victorians approved the necessary funds.[63]

R. B. McMicking also did much of the ground work necessary for installing Victoria's first telephone; in 1878 he applied for and received the sole agency for the Bell Telephone Company for all of British Columbia. In the same year two telephones were set up, one in his office and the other in the Colonist office, to allow the public to view and try out the latest invention.[64]

Its reception was enthusiastic, and McMicking subsequently began to advertise the Bell telephone. Despite the interest of merchants in acquiring telephones, McMicking was unable to put any in service for another eighteen months, for while people were prepared to buy the device, none wanted to rent it. The stalemate was broken early

in 1880 when a local joint stock company, the Victoria & Esquimalt Telephone Company, was established independent of the parent Bell Telephone Company. E. C. Baker helped McMicking raise capital among the business community and the organization took place in Baker's office where six people each invested $500. The original subscribers were Baker, who became the company's secretary-treasurer; R. P. Rithet, whose firm was one of the first to use the telephone system; A. A. Green, a banker; Peter McQuade, the ship chandler; James H. Innes, an accountant with the Royal Navy Yard at Esquimalt and a frequent business partner of Baker; and James D. Warren, a ship owner and captain.[65]

The City Council had no objections to the company's incorporation and its plans to erect telephone poles throughout the city. Whereas in 1862 objections to a monopoly by private interests of the Victoria Gas Company had been raised, there were none in 1880. Similarly, while at least one Victorian in 1860 writing to the Colonist had maintained that the gas works should be a municipal endeavour, this assumption was largely missing in 1880. Rather, the council went to great lengths to facilitate the work of the telephone company. Permission to erect poles was given without referring the matter to a committee.[66] The mayor of Victoria at the time was J. H. Turner, a businessman; one of the aldermen was Andrew Rome, Baker's brother-in-law, and another was A. J. Smith, a mining associate. In addition, the City Council approved the telephone plans despite the protests of some Victorians that the system would be unsightly.[67] Even with this cooperation Baker had little patience with the City Council, and

referred cynically to negotiations as "a regular powwow" and "too muchee talkie."[68] The poles were in place before the V.E.T.C. was legally incorporated, but when the bill to incorporate the company was put before the Legislative Assembly in March of 1880 it passed with little controversy.

The V.E.T.C. had a ten year monopoly of the telephone system. This was guaranteed when McMicking was appointed manager of the company. As the exclusive agent for Bell Telephone in British Columbia, only McMicking could rent out the phones, and as manager of the V.E.T.C. he agreed to rent the device solely to that company.[69] The first telephone exchange was set up in mid-July, and the main office was located in the Wells Fargo Company building in Trounce Alley. The number of subscribers grew from 45 in 1880 to 75 one year later. In December 1881 there were 97 telephones in service twenty-four hours a day throughout Victoria and Esquimalt. Among the early subscribers were many businessmen including E. B. Marvin, T. N. Hibben and Wm. Bone, a stationery firm, H. F. Heisterman, Thomas Shotbolt, a druggist and the hardware firm of Hickman, Tye.[70]

Victoria was proud of its new technology. In 1889, when the list of subscribers numbered 315, the Colonist called Victoria "a Telephone City" and pointed with pride to the fact that the capital had more telephone users per capita than any other North American city.[71] Businessmen were ultimately responsible for this development, and coincidentally profited from the venture. McMicking became a prominent Victorian, active in city politics and the Board of Trade. He also

became a wealthy man, and his success with the Bell Telephone agency led him to similar endeavours. By the early 1890s he was the agent for a variety of electrical devices such as phonographs and fire alarms.[72]

Yet another public utility initiated and controlled by private individuals was the electric street car railway. Thomas Shotbolt and Andrew Gray were among those who, in 1888, entered into an agreement with the city to build a street railway. A reorganization took place in 1889 and the system began to operate a year later. Victoria became the third city in Canada to possess the new technology, and only St. Catharines and Windsor in Ontario preceded Victoria. The company also enjoyed a monopoly on the railway services, a fact that the city soon regretted, for the performance of the street railway was often poor.[73]

The business community received much of the credit for introducing utilities to Victoria; McMicking and Baker were especially singled out for praise.[74] Yet, utilities were another area where a select group of individuals supported each other in entrepreneurial endeavours. For example, the Victoria Waterworks, organized in 1885 by E. C. Baker, W. P. Sayward and Joshua Davies placed orders at the Albion Iron Works, where R. P. Rithet was vice-president, rather than the Vancouver Foundry which offered lower rates. During Rithet's term as mayor, it also received orders from the city of Victoria.[75]

The municipal government had mixed feelings about the role of private enterprise in the field. Initially they had enthusiastically endorsed proposals like the telephone company and had granted monopolies

in many cases. However, poor service and other complications, such as the troubles that arose when the electric railway lines caused interference with telephone cables, persuaded City Council to temper its endorsements. For example, in 1891 when the V.E.T.C. asked for a fifty year extension of its monopoly the city reduced its tenure to twenty-five years and raised the possibility that the company be eventually taken over by the municipal government if it was in the interest of the public. However, the council continued to support the telephone company in its expansion programs and never did assume responsibility for the system. Rather, it was sold in 1899 to British Columbia Telephones Ltd., a syndicate of British and local interests.

The contribution made by the business community to Victoria's progressive public utilities were not forgotten; for many years after the sale of the Victoria and Esquimalt Telephone Company both the City Council and the Colonist used only the original name when referring to the telephone system.[76] The installation of electric lighting and a telephone exchange had a great effect upon the city. In an age of full-fledged boosterism where every Canadian city vied with each other to be the biggest, most progressive city, public utilities were a gauge of progress and enlightenment.[77] This is particularly important in light of the capital's rivalry with the mainland, which, during the period of railway building was often heated and bitter. While in 1883 it became increasingly obvious that the lower mainland, and not the island, was to have the western terminus of the C.P.R., it must have given Victorians some consolation to possess the latest technological developments in public utilities.

Footnotes

[1]See, for example, Patricia Roy, "The Illumination of Victoria: Late Nineteenth Century Technology and Municipal Enterprise," BC Studies, No. 32 (Winter 1976-77), pp. 79-92.

[2]Samuel Wickett, ed. Municipal Government in Canada (Toronto: University of Toronto Studies, History and Economics II, no. 3, 1907), p. 216. British Columbia did not adopt comprehensive legislation for the development of municipal government until 1892 when the Municipal Clauses Act provided for the adoption of the Ontario municipal system which was based on the Baldwin Act of 1849.

[3]An Act to Incorporate the City of Victoria, 1862.

[4]Ibid.

[5]Colonist, 4 August 1862. Alan Artibise cites the presence of politicians of Upper Canadian descent in Winnipeg as a reason for that city's adoption of the Ontario municipal system. This was less the case in Victoria in 1862, but it was a factor in the 1892 legislation. See Artibise, Winnipeg, A Social History.

[6]An Act to Incorporate the City of Victoria, 1862.

[7]Colonist, 4 September 1860.

[8]In Winnipeg; A Social History, Artibise shows how a white Anglo-Saxon business elite used the restrictive franchise to dominate City Council for decades, while consistently defending the status quo. In The Rise of Toronto, D. C. Masters notes the overwhelming presence of a similar group of Torontonians in politics. While the restrictive franchise in Victoria allowed businessmen of British and Scottish descent to play an important role in city affairs, many businessmen were quite willing to extend the franchise to aliens. During the vote on Helmcken's motion, Robert Burnaby voted in favour of the extended franchise, and many merchants took part in pre-incorporation public meetings that favoured a liberal franchise. Moreover, as late as 1898, a citizen's reform group dominated by the business community, favoured doing away with property qualifications. See Colonist, 14 December 1898.

[9]Victoria Daily Press, 4 August 1862.

[10]"David Leveneu," Vertical File, PABC.

[11]"Selim Franklin, Lumley Franklin," Vertical Files, PABC.

[12]"Victoria City Council," Vertical File, PABC.

[13]Information from City Clerk's Office, Victoria, B.C.

[14]Ibid.

[15]The participation of businessmen on City Council was by no means unique to Victoria. J. M. S. Careless contends this was the norm for urban centres in the western provinces where "government in the cities was soon left in the hands of an elite in-group . . . who made a fairly regular profession out of directing government for a citizenry that normally preferred to be left alone." See J. M. S. Careless, "Aspects of Urban Life in the West," p. 127.

[16]Peter Fourie Palmer, "A Fiscal History of British Columbia in the Colonial Period" (unpublished Ph.D. thesis, Stanford University, 1932), p. 235.

[17]"Victoria City Council," Vertical File, PABC.

[18]Municipal Council of Victoria to W. A. G. Young, 20 October 1862, Correspondence with the Municipal Council of Victoria commencing 9 September 1862, Colonial Correspondence, PABC.

[19]Ibid., 15 May 1863.

[20]Corporation of the City of Victoria, Annual Report, 1888 (City of Victoria: J. A. Cohen, Printer, 1889), p. 4.

[21]Christopher Lockhart Lee, "The Effect of Planning Controls on the City of Victoria" (unpublished M.A. thesis, University of Victoria, 1969), p. 21.

[22]City of Victoria, Revised, Amended and Consolidated By-laws of the Corporation of the City of Victoria (Victoria: T. R. Cusack, 1901), pp. viii, xiv.

[23]Board of Trade, Annual Report, 1891 (Victoria: Colonist Printers, 1891), p. 39.

[24]City of Victoria, By-Laws, pp. viii, xiv.

[25]Colonist, 27 January 1897.

[26]City of Victoria, By-Laws, p. 423.

[27]Colonist, 4 November 1871.

[28]Ibid., 12 March 1875.

[29]Ibid., 29 November 1876.

[30]Ibid., 22 October 1891.

[31]Ibid.

[32]Marjorie C. Holmes, Royal Commission and Commission of Inquiry and the "Public Inquiries Act" in British Columbia, 1872-1942 (Victoria: Charles Banfield, 1945), p. 481.

[33]Colonist, 13 December 1892.

[34]Ibid.

[35]Ibid.

[36]City of Victoria, By-laws, p. ii.

[37]Colonist, 18 March 1873.

[38]Colonist, 15 August 1883; 26 August 1884.

[39]Colonist, 4 September 1860.

[40]City of Victoria, By-laws, pp. vi, xxv.

[41]Ibid., pp. iv-v.

[42]This concern for the well being of the citizens of Victoria was not always the case in cities where municipal councils were committed to the growth ethic. For example, Alan Artibise notes the tendency of Winnipeg's council to promote the city at the expense of its inhabitants. See Artibise, Winnipeg, pp. 23, 76, 222.

[43]Information from the Office of the Speaker, Parliament Buildings, Victoria, B.C.

[44]Ibid.

[45]Rithet to J. H. Turner, 28 September 1896, Letterbook VII, PABC.

[46]Scholefield, British Columbia, II, p. 448.

[47]Ibid., II, p. 388.

[48]Vancouver Daily Province, 20 November 1902.

[49]Colonist, 2 July 1895.

[50]George Waite Sterling, "Edgar Crow Baker; An Entrepreneur in Early British Columbia" (unpublished M.A. thesis, University of Victoria, 1976), p. 221.

[51]Miscellaneous Letters, De Cosmos Papers Relating to the Vancouver Island Railway, 1880-1882, PABC.

[52]Colonist, 26 October 1859.

[53]"Victoria Gas Company," Vertical File, PABC.

[54]Ibid.

[55]Colonist, 30 March 1863.

[56]"Victoria Gas Company," Vertical File, PABC.

[57]Roy, "The Illumination of Victoria," p. 85.

[58]"R. B. McMicking," Vertical File, PABC.

[59]Ibid.

[60]Baker, 4 July 1884. Diary for 1884, E. C. Baker Diaries, PABC.

[61]Roy, "The Illumination of Victoria," p. 88.

[62]George Green, "Some Pioneers of Light and Power," British Columbia Historical Quarterly II (July 1938), p. 146.

[63]Colonist, 9 March 1894.

[64]Colonist, 28 March 1878.

[65]"R. B. McMicking," "Victoria and Esquimalt Telephone Company," Vertical Files, PABC.

[66]Colonist, 18 March 1880.

[67]Colonist, 24 April 1880.

[68]Baker, Diary Excerpts, Vol. 84, PABC.

[69]R. B. McMicking to C. F. Sise, 3 November 1880, McMicking Letterbook, PABC.

[70]Colonist, 21 March 1882.

[71]Ibid., 13 June 1890.

[72]"R. B. McMicking," Vertical File, PABC.

[73]Green, "Some Pioneers," pp. 150-52.

[74]Colonist, 13 June 1884.

[75]Albion Iron Works, Minutes 1882-1904, PABC.

[76]Colonist, 8 September 1892.

[77]See, for example, Artibise, Winnipeg; A Social History.

CHAPTER V

THE ENTREPRENEURS

Victoria's prosperity in the 1880s, proclaimed loudly by a succession of businessmen mayors, can be linked to the growing wealth of the mercantile community. This decade saw merchants like R. P. Rithet, J. H. Todd and J. H. Turner diversify their business interests to the extent that simple importing and exporting was no longer their principle role. These men became entrepreneurs and major forces in the economy of the province as well as the Pacific Northwest.

At the same time, businessmen began to have a significant influence upon the social life of the city. The motley collection of merchants and tradespeople earlier described by Alfred Waddington had long vanished by 1880. An organized group of businessmen active in the affairs of the city and the province had taken its place. This group achieved social prominence in the 1880s through participation in civic functions and institutions and as a result of their growing commercial power achieved primarily through expansion of their business interests.

The need to diversify business interests was realized as early as the 1870s. Perceptive merchants realized that good management and good contacts in business circles as well as an ability to weather the boom and bust cycles of the period were required to remain in operation. R. P. Rithet foresaw this in 1862 during his employment in G. M. Sproat's San Francisco office. He observed that all the leading English houses

there had other businesses in connection with their importing function and that they also had significant capital to work with.[1]

The contacts were still in place ten and twenty years later; indeed, they were even more productive and well established. Those merchants who survived the depression of the late 1860s and early 1870s found better times. World economic conditions had improved by the end of the 1870s, and British Columbia, now a province of the Dominion of Canada, was anticipating the completion of the Canadian Pacific Railway and the drydock at Esquimalt, while transportation facilities in general had improved in Victoria, partly through the efforts of the Board of Trade and City Council. The mineral rich Kootenay region began to develop, and Victoria merchants seized the opportunity to speculate in mining ventures. In 1878, for example, E. C. Baker, W. P. Sayward, and A. B. Gray were among the directors of the Howe Copper Mining Company.[2] At the same time Baker also held three hundred shares in the British Columbia Milling & Mining Co.; its directors included J. H. Turner, J. H. Todd, and F. S. Barnard. Another associate, Thomas Shotbolt, joined Baker in a prospecting venture in the Big Bend region of the Columbia River.[3]

Salmon canning was another very successful investment venture for Victoria's businessmen. This industry followed the established pattern of trade developed earlier by the city's mercantile community, for while American interests dominated the industry for a short time in the 1870s, it was under British financing and control that the industry boomed, and Great Britain was the chief market for canned salmon exported

through the Victoria wholesale houses.[4] The expertise necessary to can salmon, and thus prevent spoilage during export, had been developed by Canadians on the Atlantic coast, principally in New Brunswick. By 1889 British capitalists owned many of the province's canneries through the British Columbia Packing Co. Ltd. In 1891 the Anglo-British Columbia Packing Co. Ltd. bought out all the American concerns in the Fraser River.[5]

Victoria merchants had been involved in the industry from its inception in the late 1860s. They financed canners through advances secured by chattel mortgages, and the earliest Fraser River canneries had dealt with Victoria commission merchants who exported the product directly to Great Britain. The Victoria Canning Company was organized in 1891 by R. P. Rithet, an agent for local canneries, to counter the competition of the two British firms.[6] R. P. Rithet owned the Capital cannery; J. H. Turner's firm owned the Inverness cannery on the Skeena River and was the agent for another, the Balmoral. Finlay, Durham, and Brodie controlled five canneries throughout the province, and by 1891 this one Victoria firm exported some 60,000 cases of salmon per year to England, Australia, and other parts of Canada.[7] Salmon canning was a profitable, and for many years, an expanding industry.

As well as investing in salmon canning many Victoria firms operated insurance agencies in addition to their wholesaling function. Robert Ward and Co. represented five coastal canneries and was also the city's leading insurance firm. In 1891 the firm represented the Royal Insurance Co., the London and Lancashire Fire Insurance Co., the

Standard Life, of Edinburgh, the London Assurance Corporation, and the London and Provincial Marine Co.[8] R. P. Rithet and Co. also acquired insurance agencies such as the Queen Insurance Co. of Liverpool. In 1886 Rithet was able to report to the company that business being done in Victoria was very profitable.[9] Findlay, Durham and Brodie operated two London based insurance agencies, and H. F. Heisterman was another Victoria businessman who became an agent for life, fire and marine insurance. J. H. Turner's firm was also active in this field.

The sealing industry was yet another profitable sideline for Victoria's commission merchants. This lucrative business was particularly exclusive to Victoria. The first attempt to hunt seals on the open sea was made by Hugh Mackay in the schooner Ino of Victoria.[10] In 1882 the Victoria sealing fleet numbered fourteen; by 1891 it had grown to fifty ships with an annual catch of about 2,000 skins per sealer. The following year the capital invested in the Victoria fleet amounted to $780,000.[11] Among those who owned sealing boats were E. C. Baker, R. P. Rithet, and Joseph Boscowitz.

Investment in these areas benefited the merchants and the city as a whole, for it concentrated important industries in Victoria and contributed to her commercial prestige. At the same time businessmen were sources of capital and the initiators of many projects vital for the economic success of the city such as transportation services.

Transportation links between the island and the mainland had long been a major concern of Victoria's businessmen. In municipal politics and the Board of Trade they had endorsed and initiated a number

of proposals to increase the city's accessibility, including rail and ocean links. Individually as well, merchants sought to enhance the city's commercial role by building port facilities. As early as 1862 Henry Rhodes' business firm had built a wharf in the upper inner harbour, leading to the commission house, to promote regular steamer service between San Francisco and Victoria.[12] Similarly, R. P. Rithet built Victoria's outer wharves near Ogden Point at the corner of Dallas and Simcoe Street, thus providing the city with docking facilities for deep-sea steamers. Originally known as "Rithet's folly," by 1893 Victorians were praising his initiative.[13] Rithet also enjoyed considerable profit from the wharf; in 1908 the amount of freight landed at the outer docks for an eight month period, January to August, amounted to 39,301 tons. This was an increase of 4,920 tons over the previous year.[14] The Victoria Wharf & Warehouse Co. was a prosperous feature of Rithet's diverse interests.

Yet another maritime interest of Rithet was the Canadian Pacific Navigation Company which in 1883 began regular passenger and freight service between the mainland and the island. The initial objectives of the company were "to purchase vessels and convey passengers and goods between such places as the group might determine."[15] Later the company pursued broader objectives that included the acquisition of telegraph and telephone lines, the construction of a mining railway in northern British Columbia as well as servicing the coastal canneries and lumber operations. The C.P.N.C. had been formed when the Hudson's Bay Company fleet of steamers was merged with the Irving family's Pioneer line. In addition

to Rithet, Robert Dunsmuir was a large shareholder, and as the service expanded, it gave Victoria connections with the lower mainland, including Vancouver, Langley and Chilliwack; the Queen Charlotte Islands, the west coast of Vancouver Island; as well as northern coastal communities like Bella Coola.[16] Joseph Boscowitz also invested in steamer service. The Boscowitz Steamship Company, formed in 1899, had two ships, the Venture and the Vadso, which were employed mainly in the cannery trade. When in 1892 Robert Ward and Co. was reorganized to become a firm of limited liability, it included in its new charter the power to charter, acquire, build, own and run steamships, tugs, and other vessels.[17] Thus, many businessmen were finding it advantageous to diversify their interests to include maritime transportation links, and this increased the city's control over the trade of the region.

Closely connected with C.P.N.C. was the Albion Iron Works. In 1882 Joseph Spratt's establishment, which had long been building most of the ships used in the province's maritime trade, was reorganized. Heading the new company were Robert Dunsmuir, president; R. P. Rithet, vice-president; and J. W. Trutch, W. C. Ward, and Joseph Spratt, directors. Shareholders included Captain John Irving, Robert Ward, Alexander Munro, A. Kenneth Munro, the latter two men connected by marriage to R. P. Rithet, and Joan Dunsmuir, the president's wife. Andrew Gray was the manager, although he eventually became a partner in the Albion Iron Works.[18]

The new owners discovered that Spratt had been an ineffectual businessman; the works were characterized by a "generally unsatisfactory

way of transacting business, leading to uncertaincy and confusion." Under the leadership of some of Victoria's most successful merchants the works were expanded to cover two lots on the corner of Government and Pembroke in 1885.[19] At the same time the works were rescued from financial difficulties by the Canadian Pacific Navigation Company who loaned the Albion Iron Works $40,000. The same men directed both businesses. In 1891 James Dunsmuir became the Iron Works president, thus continuing the influence of the Dunsmuir interests in the company, and that same year was the most prosperous in the work's history.[20]

Many of Victoria's businessmen invested in marine transportation, but they were interested in railroad links as well. R. P. Rithet's scheme to build the British Pacific is just one example. The people of Victoria, and especially the press were encouraged by Rithet's railway plan. The Colonist felt that success was assured because "the company [was] composed of capitalists who have experience in the management of great enterprises and who possess the skill and ability to bring them to a successful conclusion."[21] For Rithet in particular, the paper prophesized the title of British Columbia's greatest benefactor. These hopes were never fulfilled for J. H. Turner's government, after much negotiation with Rithet, finally declined to support the venture.[22] Rithet was also personally involved in promoting the Vancouver, Victoria and Eastern Railway, and the Columbia and Western Railway to the Kootenays; neither rail link materialized.[23]

Businessmen were interested in railway ventures that would give Victoria access to the American mainland by way of a truck ferry,

across the Strait of Juan de Fuca. One example is the Victoria and North American Railway, incorporated in 1891, through the promotion of Robert Ward, E. C. Baker, and W. P. Sayward. This railway was to be built from Victoria to Beecher Bay and the mainland would be reached via a train ferry across the narrowest stretch of the Strait of Juan de Fuca.[24] However, like so many others, this railway scheme came to nothing.

All of Victoria's mercantile community realized the need for a rail link. In his proposal to the government to build the British Pacific Railway, Rithet cited the potential development of the province's resources as a good reason to build the line.[25] Nevertheless, many far-fetched proposals, such as the Victoria-North America Railway, were probably endorsed with an eye for real estate, as speculation in land was another of the growing interests of Victoria's businessmen during the 1880s and 1890s. E. C. Baker, H. F. Heisterman, R. P. Rithet, W. P. Sayward and Joshua Davies, for example, were all buying property. In conjunction with a variety of "friends," Davies held land in and promoted the towns of Port Crescent and Sumas in Washington, and the city of Nelson as well as other investments in the Kootenay area.[26] R. P. Rithet owned town lots in Vancouver, Victoria, Port Moody, Richmond, and New Westminster. He held property on Lulu Island and Bute Inlet, and 250 shares in the B.C. Cattle Company, which had property and grazing leases in the interior of the province.[27] William Curtis Ward also invested in ranching; he started the Douglas Lake Cattle Company, British Columbia's largest stock ranch, in the 1870s. In 1914 Ward was

considered to be the largest private landowner in the province.[28] J. H. Todd owned farm land in the Fraser Valley and town lots in a number of British Columbia cities.[29]

Victoria's real estate agents also purchased properties for British and European interests. Through Lowenberg, Harris and Co., for example, "a large amount of foreign capital [was] conservatively placed."[30] The British Columbia Land and Investment Company operated solely on British capital. Thomas Allsop and Henry Mason began their company in 1862 as Allsop & Mason; in 1887-88 it was purchased by British interests and incorporated with a capital stock of $200,000. Allsop managed investments such as the one and half million acre Gang Ranch. In Victoria, the company owned and developed extensive real estate holdings including a block of buildings on Government Street.[31]

It is clear that during the 1880s and 1890s Victoria's largest merchants had become true entrepreneurs. They invested in a number of interests throughout the province such as mining, real estate, sealing, and salmon canning. Their transportation links allowed them to control the hinterland of Victoria, the coastal region of the mainland and the northern island, while their wholesale houses distributed goods to the entire province. They also assumed roles as insurance agents and financiers lending money to support enterprises such as salmon canning. Diversity was the key to their success, and they became important forces in the business world of the Pacific Northwest.

R. P. Rithet's feud with Benjamin Tingley Rogers, founder of the B.C. Sugar Refining Company in 1892, demonstrates the influence of

the business community of Victoria. Rithet had long been interested in the Hawaiian sugar trade, investing considerable funds in the California and Hawaii Sugar Refining Company. In 1890 B. T. Rogers, an American, began to explore the possibility of establishing a refinery in Vancouver to serve local, provincial, and western Canadian markets. Vancouver was, at the time getting its sugar from San Francisco, quite likely through Rithet's syndicate.[32]

Rogers gained the support of the directors of the Canadian Pacific Railway for his venture, and the city of Vancouver offered him concessions of land and water as well as tax exemptions. Rogers accepted Vancouver's offer and rejected overtures from the City Council of Victoria to locate in the capital at Rithet's outer wharves.[33] Rithet retaliated against Rogers by flooding the market with cheap Chinese sugar acquired through agents in Hong Kong. Only by holding down his own prices did Rogers manage to counter Rithet.[34]

Robert Patterson Rithet was perhaps the quintessential Victoria businessman. His firm was described by the Colonist in 1894 as a great commercial house, one of the largest importers of groceries and, especially, of sugars in the province.[35] He was the Consul for Hawaii, a post in which he followed Henry Rhodes, and President of the California and Hawaii Sugar Refining Company. His many interests included marine transportation, manufacturing, real estate, insurance, salmon canning, a sawmill at Moodyville, the Enderby Milling Company, and the Victoria sealing fleet. Like many of his colleagues he had strong commercial ties with San Francisco and the Pacific coast. He emigrated from the United

Kingdom and represented the traditionally strong presence of British interests in Victoria.

The prosperity of these entrepreneurs also directly benefited Victoria. The sealing fleet, for example, was centered there and provided employment to not only the sealers, but to those who built, repaired, and outfitted the schooners as well. Similarly, the Albion Iron Works employed a number of men, and the head offices of mining companies, real estate firms, and salmon canneries were all located in Victoria. So was the administration of the Canadian Pacific Navigation Company. Rithet's outer wharves were not only a prosperous sideline for the owner, they also gave Victoria an adequate deep sea port facility, and in 1894 the city acquired a direct ocean link with the Orient, the Uptown line of steamers.[36]

In 1894 the British Columbia Directory summed up the attitude of the city toward the mercantile community:

> It has been well said that to no class of her merchants does Victoria point with more pride than she does to her commission merchants who have not only been to a large extent the means of advertising her as a desirable business locality, but through them her wholesale and retail merchants have come to be looked upon as the most stable of her businessmen. A prominent point and one that will have more effect than any other is the fact that less money has been lost through failures of her merchants than can be said of any other city on the coast. This has given them a very high commercial standing and made Victoria a valuable factor in the commerce business![37]

In the 1880s and 1890s social prominence reflected the commercial prosperity of the business community. Although merchants had become an organized presence in the community in the early gold rush

years, colonial officials and Hudson's Bay Company officers were the social leaders. Until 1871 a succession of governors carried out the wishes and aspirations of London's government in the colony.

Social activities reflected the prominence of the Company, and Governor Douglas and his wife organized picnics, dinners, and dances for the inhabitants of the fort. R. C. Mayne, a naval officer, serving on the Plumper, described some of these activities in 1857, noting that "in fine weather riding parties of the gentlemen and ladies of the place were formed and we returned generally to a high tea, or tea-dinner, at Mr. Douglas' or Mr. Works winding up the pleasant evening with dance and song."[38] At the Fort itself, Douglas was the leader and the hierarchical system of the Hudson's Bay Company was the norm, with Douglas maintaining an "austere and distant" attitude to those who served beneath him.[39] Bolstering the British connection were the presence of the Royal Navy at nearby Esquimalt Harbour and the four Puget Sound Agricultural Company farms.

The transition from fur trading post to city was directed by James Douglas, who severed his relations with the Company in 1859. The British connection was maintained by colonial officials who were drawn almost exclusively from the upper middle class of the British Isles. The Colonial Surveyor, Joseph Despard Pemberton, for example, was Irish, while Matthew Baillie Begbie, an Englishman, was appointed judge of British Columbia in 1859 and dispensed British justice with a firm hand in the gold fields. Peter O'Reilly was a gold commissioner. This Irishman had come to Victoria with letters of introduction from

E. G. Lytton, the Secretary of State for the colonies. Douglas often selected men such as O'Reilly, who presented recommendations from Lytton and other influential people, to fill positions in the expanding colonial service.[40]

It was also possible for businessmen to use connections with the Hudson's Bay Company or colonial officials for advancement in the colony. J. J. Southgate moved to Victoria from San Francisco in 1858, producing for Douglas a letter of introduction from the firm of the Lowe Brothers. They were familiar with the chief factor because they imported coal from the Hudson's Bay Company's Nanaimo mines. Southgate, through this connection, was awarded a contract to provision the Royal Navy ships at Esquimalt.[41]

Similarly, Robert Burnaby was first employed in the colonial service before embarking upon a business partnership with Edward Henderson, a London capitalist. He had been Colonel R. C. Moody's private secretary and had also worked with Walter Moberly to develop the coal reserves of Burrard Inlet.[42] These two men were British, although Southgate came from San Francisco, and therefore profited from a connection with the ruling British clique. On the whole, however, the business community was considered to be part of the thriving "middle class" element introduced by the gold rush. The colonial officials, and their countrymen in the Royal Navy and the Royal Engineers, constituted the centre of the social system in the early years of Victoria's development.[43]

As the role of the city began to change in the late 1860s and

the 1870s, this social matrix changed dramatically. The Hudson's Bay Company and the fur trading era was the first to pass; when the colony became a province the colonial officials were no longer a factor. Local politics offered a new forum for leadership, as did the Board of Trade, and when the city's mercantile function became all important the individuals who dominated commerce became increasingly important in the city. Coming to the fore, in particular, were the commission merchants who had dominated the Board of Trade and city hall, men like R. P. Rithet, J. H. Turner, and Robert Ward.

The degree of social visibility achieved by merchants was reflected by obvious prosperity. Their lavish homes were situated in the most fashionable area of the city. In James Bay--the preserve of men like Douglas, the Speaker of the House, J. S. Helmcken, the Royal Victoria Yacht Club, and the government buildings--merchants such as David Spencer, Jacob Sehl, and William Pendray, owner of the British Columbia Soap Works, began to build homes. Their homes would become focal points of the city's entertainment and fashion. Sehl, the furniture manufacturer, was so well known in Victoria that Laurel Point, where he built, was referred to as Sehl Point. His home was one of the city's landmarks and showplaces, and in 1885 the Colonist placed him in the ranks of the province's most prominent men.[44]

Other members of the mercantile community lived in equally prestigious areas. H. F. Heisterman had a home on "palatial grounds" situated in Fountain Circle, where the Victoria Press Building stands today, an extremely fashionable area in the 1880s and 1890s. J. H. Todd,

a commission merchant and "one of those who made for Victoria her reputation as the commercial centre of the Pacific Northwest," resided in the Fairfield area. Thomas Shotbolt, William Sayward and Robert Ward built in the exclusive Gonzales Hill area.[45]

R. P. Rithet's success was mirrored by his residence, Hollybank. Facing Beacon Hill Park, Rithet's home had stables, barns, a rose garden, tennis and croquet courts. A liveried coachman received guests such as Judge Begbie, the H. P. P. Creases, Robert and William Ward, Peter O'Reilly, J. H. Turner, Robert Beaven, and Robert Dunsmuir. Rithet also owned Victoria's first car, an opulent electric coach. Described as a big black box on wheels with white spokes, the car boasted plate glass windows etched with roses and tulips. The headlights were fitted with brass, the seats were upholstered in blue velvet, and the interior featured cut glass flower vases. In addition, Rithet raised thoroughbred horses on his farm, Broadmead, in the Royal Oak area.[46]

Robert Ward's home, the Laurels, on Rockland Avenue was similarly grand. Built in the Ionic style, it possessed oak doors, a grand stairway, an observation tower, an imported porcelain bath, a double dancing floor, and all the modern conveniences: electric lights, door bells, and gas.[47] His brother, William Ward, lived at Highwood, also on Rockland. It stood on ten acres and featured three tennis courts, formal terraced gardens, orchards, barns, and a carriage house.[48] William Parsons Sayward's Woodvine was really a small farm located at Fort and Linden Streets. There he raised both cows and horses.[49] One of the most popular homes in Victoria was that of

Henry Rhodes. Located on Blanshard Street, Maplehurst had a large lot and many rooms to house his five daughters and three sons. In a time when almost all entertaining was done at home, Maplehurst was the scene of many balls and parties.[50] Outshining all these mansions, and every other house in Victoria was Robert Dunsmuir's Craigdarroch Castle, completed in 1889 and located on twenty acres of land reaching from Fort Street to Rockland Avenue. Its leaded glass was imported from Italy, the stairway was built in Chicago, and the livingroom alone was sixty-three feet long. Thirty-five fireplaces heated the castle.[51]

This mercantile elite cultivated a lifestyle equal to the lavishness of their homes. Cruises to England and Europe were common. Businessmen from Victoria travelled frequently to London for both pleasure and business. E. C. Baker, on one such trip in 1878, travelled with R. C. Janion and his wife, and in London he saw many Victorians including Joseph Stahlschmidt, Joseph Boscovitz, and two partners of the firm Findlay, Durham & Brodie.[52] Similarly, R. P. Rithet during his time in San Francisco had enjoyed the company of many Victoria visitors. After he returned to Vancouver Island he kept in touch with friends he had made in the California city, and he and his wife often visited the Floods, Hopkins, and Crockers of Nob Hill.[53] His son, Edward, educated at Shelbourne School in San Rafael and later in New York and Germany, was also accepted in the social circles of San Francisco; in 1899 he was given privileges at the San Francisco Golf Club.[54] In Victoria at the turn of the century the Rithets were prominent enough to be invited to a ball given by the Governor General and Countess of Aberdeen.

Much entertaining took place at the homes of these businessmen, and familiar names such as J. H. Turner, Robert Ward, and Robert Beaven appear on the invitation lists of the Rithets and others of the mercantile community. During the day, these same men often lunched together. The Garrick Hotel was a popular watering hole, and at one luncheon where E. C. Baker and Robert and William Ward were present, a deck of cards was cut to decide who should pay the bill for lunch and drinks.[55] All night poker games were another form of entertainment.

Businessmen also saw one another in organizations such as the Masons, and, in addition, they gave freely of their time to the city's service clubs. The Masonic Order was an especially important contact for merchants, for many prominent Victorians belonged to it, including J. J. Southgate, Robert Burnaby, Lumley Franklin, H. F. Heisterman, Thomas Harris, R. P. Rithet, J. H. Turner, and Robert Beaven. It afforded businessmen yet another opportunity to mix both business and pleasure. The closeness of the mercantile community in the Masonic Order was reflected in 1879 when E. C. Baker managed to raise $4,540 from fellow Masons to help his colleague, R. B. McMicking, out of some financial difficulties.[56]

Through their work in service clubs, businessmen both served the community and increased their social visibility. Almost all of the mercantile community were active in organizations such as the British Columbia Benevolent Society, the St. Andrews Society, the French Benevolent Society, and the International Order of Odd Fellows. Victorians noticed with pride the fact that businessmen gave much

attention to the city's civic enterprises. For example, Simon Leiser, whose wholesale coffee and spice firm had been the largest in the province since 1873, was hailed by the Colonist as "one of Victoria's most valued citizens [who] . . . was ever mindful of the city's welfare" and who filled many public offices.[57] Besides being an active Mason, Leiser was also a member of the Royal Jubilee Hospital Board, and he was among those who organized the capital to build the Royal Theatre. Cultural organizations were another interest of businessmen, and they took part in amateur dramatic clubs and choirs such as the Germania Sing Verein.[58]

The degree of social acceptance the mercantile community had achieved in the final decades of the nineteenth century was reflected by the mingling between businessmen and the older guard of colonial officials. This took place in some of the men's clubs like the Navy Club at Esquimalt whose members included both Judge Begbie and E. C. Baker. At the Cricket Club, Begbie; J. W. Trutch, British Columbia's first Lieutenant-Governor; and Charles Good, James Douglas' son-in-law, mixed with businessmen like Henry Rhodes. Thomas Harris was a member of the Jockey Club and the Cricket Club.[59]

After 1879 business leaders such as R. P. Rithet and Thomas Earle frequented the Union Club as did Begbie, Peter O'Reilly, and other colonial officials. The Union Club was the city's most prestigious men's club with all the trappings of the British aristocratic institution: a big game head, men sporting tweeds and old school ties, and a restriction against women.[60]

Yet another place the old and new guard mixed was church. A division within the business community between the commission merchants and the smaller tradesmen was noted by Matthew Macfie who suggested that: "In the Protestant world on the Pacific Coast the religious sect to which a man is attached may commonly be determined by the extent of his business." Small retailers and mechanics attended the Methodist church; jobbers and larger storekeepers tended to be Presbyterian and Congregational; while bankers, lawyers, and wholesale dealers worshipped at the Church of England.[61]

Marriage also bound some of the business community with the former leaders of Victoria's society. R. P. Rithet, for example, married one of the city's first ladies, Elizabeth Jane Hannah Munro, the daughter of Alexander Munro who had been the manager of the Hudson's Bay Company in British Columbia.[62] Jessie Fell, the daughter of one of Victoria's mayors, James Fell, also married a Hudson's Bay Company man, H. A. S. Morley.[63] When the children of Victoria's successful businessmen were married, it was an event marked by luxury and extravagance, and the offspring of both merchants and colonial officials often participated in the wedding party. When Alice Lydia Ward married a Mr. M. C. Drummond of the Chilcotin in 1890, Christ Church Cathedral was packed by a "deeply interested public" who watched the most fashionable wedding in months.[64]

The social prominence of the business community was best displayed in 1891, however, when Jessie Sophia Dunsmuir married Sir Richard John Musgrave of Waterford, Ireland, a wedding the newspapers

proclaimed as "the most fashionable and brilliant in Victoria's history." R. P. Rithet was among the invited guests to fill Christ Church Cathedral, while hundreds of Victorians crowded the churchyard and the street. The bride wore a dress of white and silver brocade, with a full court train, brocaded in silver in the pattern of the Prince of Wales Crest. Of the six attendants, five were sisters of the bride and one was Robert Ward's daughter. Between two hundred and three hundred guests attended the reception at Craigdarroch Castle, where the band of the Royal Navy ship, H.M.S. Warspite, provided the music.[65]

Finally, the ceremonies that marked the passing of many of the city's merchants also demonstrate the degree of social prominence this group came to have. Quite often they were events of considerable public mourning and the occasion for much praise of the deceased. When J. H. Todd, a commission merchant, died in 1899 his funeral was one of the largest ever held in Victoria; flags flew at half mast, and the city lamented the passing of "one of those who made for Victoria her reputation as the commercial centre of the Pacific Northwest." Similarly, David Leveneu at his death was given credit as a participant in many of the important projects that had developed the province's resources. His pallbearers included businessmen like Edgar Marvin, one time colonial officials represented by M. B. Begbie, and Roderick Finlayson, who had been a chief factor at Fort Victoria.[67]

The stature of the city's business community was also reflected in 1919 with the death of R. P. Rithet. Condolences to the widow came from San Francisco and Hawaii. The deceased was praised as a

"tower of strength and a great force in the business world."[68] Meanwhile Victorians mourned the passing of a trailblazer of commerce, one of the city's most influential and prominent citizens.

* * *

By the late nineteenth century, there was a definite correlation between being a good Victorian and a successful businessman. Those individuals who were most prominent in politics, the Board of Trade, and other economic activities had become social leaders. Prosperity seemed to equal influence, and many merchants had clearly left the middle class to assume a rank on par with the old guard of the colonial era. Victorians elevated businessmen to the top of the social scale by recognizing their leadership in service clubs and cultural institutions, by collectively celebrating their marriages, and by mourning their passing. At the same time, Victoria seemed to recognize the importance of commercial success and its immediate relationship to the city.

Footnotes

[1]Rithet to M. T. Johnston, 24 March 1869, Letterbook I; Rithet Family Papers, PABC.

[2]E. C. Baker, Diary for 4 May 1878, Baker Papers, PABC.

[3]Ibid., 8 May 1878.

[4]Keith Ralston, "Patterns of Trade and Investment on the Pacific Coast, 1867-1892: The Case of the British Columbia Salmon Canning Industry," BC Studies, No. 1 (Winter 1968-69), p. 40.

[5]Ibid., p. 42.

[6]Careless, "Early Business Community in the Early Development of Victoria," p. 17.

[7]Corporation of the City of Victoria, Victoria Illustrated (Victoria: Ellis and Company, 1891), p. 88.

[8]Ibid., p. 48.

[9]Rithet to Queen Insurance Co. of Liverpool, 16 June 1886, Letterbook II, Rithet Family Papers, PABC.

[10]F. W. Howay, et al., British Columbia and the United States (Toronto: Ryerson, 1942), p. 321.

[11]Ibid.

[12]"Henry Rhodes," Vertical File, PABC.

[13]"R. P. Rithet," Vertical File, PABC.

[14]Mr. Lawson to R. P. Rithet, 31 August 1903, Letterbook II, Rithet Family Papers, PABC.

[15]Colonist, 13 November 1947.

[16]Ibid.; Williams' B.C. Directory (Victoria, 1892), pp. 417-418.

[17]"Robert Ward," Vertical File, PABC.

[18]Albion Iron Works, Minutes 1882-1904, PABC.

[19]Ibid.

[20]Ibid.

[21]Colonist, 17 June 1892.

[22]"British Pacific Railway," Vertical File, PABC.

[23]Colonist, 17 June 1892.

[24]Brooks, "Edgar Crow Baker," p. 265; British Columbia, Legislative Assembly, Statutes (Victoria, Government Printing Office, 1891), pp. 505-509.

[25]Memo: British Pacific Railway, 1897, Rithet Family Papers, PABC.

[26]City of Victoria, Victoria Illustrated, p. 94.

[27]Rithet, Private Real Estate Sales Book, 1883-1893, Letterbook VI, Rithet Family Papers, PABC.

[28]Scholefield, British Columbia, IV, p. 269.

[29]"J. H. Todd," Vertical File, PABC.

[30]City of Victoria, Victoria Illustrated, p. 93.

[31]Ibid.; "B.C. Land and Investment Company," Vertical File, PABC.

[32]M. I. Rogers, B.C. Sugar Refinery (Vancouver, 1958), p. 8.

[33]Ibid., p. 9.

[34]Ibid., pp. 9-18.

[35]Colonist, 3 September 1894.

[36]"R. P. Rithet," Vertical File, PABC.

[37]British Columbia Directory (Victoria: R. T. Williams, 1894), p. 210.

[38]Mayne, Four Years in British Columbia, p. 31.

[39]Macfie, Vancouver Island and British Columbia, p. 394.

[40]Ormsby, British Columbia, p. 180.

[41]Careless, "The Business Community in the Early Development of Victoria, B.C.," p. 3.

[42]"Robert Burnaby," Vertical File, PABC.

[43]Macfie, Vancouver Island and British Columbia, p. 392.

[44]"Jacob Sehl," Vertical File, PABC.

[45]"H. F. Heisterman," "Thomas Shotbolt," "W. P. Sayward," Vertical Files, PABC.

[46]"R. P. Rithet," Vertical File, PABC.

[47]"Robert Ward," Vertical File, PABC.

[48]"William Ward," Vertical File, PABC.

[49]"W. P. Sayward," Vertical File, PABC.

[50]"Henry Rhodes," Vertical File, PABC.

[51]"Robert Dunsmuir," Vertical File, PABC.

[52]Baker, 10 January 1878, Diary for 1878, E. C. Baker Diaries, PABC.

[53]Nob Hill, overlooking downtown San Francisco was the city's most prestigious residential area where wealthy businessmen and leaders of society lived.

[54]Miscellaneous Document 1899, Letterbook I, Rithet Family Papers, PABC.

[55]Baker, 18 March 1875, Diary for 1875, E. C. Baker Diaries, PABC.

[56]Brooks, Edgar Crow Baker, p. 117.

[57]"Simon Leiser," Vertical File, PABC.

[58]"Germania Sing Verein," Vertical File, PABC.

[59]"Thomas Harris," Vertical File, PABC.

[60]"Union Club," Vertical File, PABC.

[61]Macfie, Vancouver Island and British Columbia, p. 417. As a Congregationalist minister, Macfie was in a good position to observe the religious affiliation of the city's merchants. He does generalize to a certain extent, R. P. Rithet, for example, was a Presbyterian, but it is significant that prominent businessmen were Protestants of one denomination or another. This is something they had in common with

businessmen elite in Winnipeg and Toronto during the same period.

[62]"R. P. Rithet," Vertical File, PABC.

[63]"James Fell," Vertical File, PABC.

[64]"William Curtis Ward," Vertical File, PABC.

[65]"Robert Dunsumir," Vertical File, PABC; Harry Gregson, A History of Victoria (Victoria: Observer Publishing, 1970), p. 95.

[66]"J. H. Todd," Vertical File, PABC.

[67]"David Leveneu," Vertical File, PABC.

[68]D. Campbell, San Francisco to Mrs. R. P. Rithet, 21 March 1919, Letterbook I, Rithet Family Papers, PABC.

CHAPTER VI

THE DECLINE

Entrepreneurs, now the social leaders of Victoria, entered the 1890s on a wave of general prosperity. Victoria continued to boom despite the incorporation of Vancouver in 1886 and the growth of this western terminus of the Canadian Pacific Railway. As the major city in the province, Victoria initially benefitted from the railway's completion. Its maritime orientation continued to be a significant commercial factor; in 1891, 66.5% of all goods imported by sea into British Columbia still passed through Victoria, and the port facility handled the majority of exports leaving the province as well.[1] The major financial institutions were still in Victoria, as were the headquarters of the important sealing and salmon canning industries. Well established Pacific coast trading patterns and a well organized business community were sizeable advantages for Victoria, and it took Vancouver several years to overcome this lead.

It achieved this in the early twentieth century, as a variety of factors combined to end Victoria's dominance of the provincial economy. The primary element was technological innovation for the railway revolutionized the transportation industry. The Board of Trade and various city councils had been aware of this for some time, and their failure to secure a crucial rail link with the mainland contributed to the demise of the city. Significant changes also took place in

maritime transportation facilities as well as in trading patterns, financial institutions, and business practices. The business community of Victoria was ultimately unable to meet the challenges of the new century while Vancouver, on the other hand, benefitted from the changing times to become the province's next metropolitan centre.

Prosperity in Victoria during the early 1890s was somehat sporadic, for while the business community was still expanding, this growth did not take place in new areas. Rather, the old entrepreneurial patterns were repeated, although the composition of the business community did change at this time reflecting a new orientation toward eastern Canada made possible by the railway. For the first time eastern Canadians began to make up a significant portion of the community. An example of this development is the establishment of the firm of Crane, McGregor and Boggs in 1890.

All three partners were from Eastern Canada: Crane from Ontario, McGregor from Quebec and Boggs from Nova Scotia. The firm dealt in real estate and land speculation as well as insurance and investments, all within the traditional scope of business in Victoria.[2] Also in keeping with the pattern of the Victoria entrepreneur was the partners' active role in promotion and cooperation with other business enterprises. For example, in 1891 land was purchased in the Oak Bay area. The Electric Tramway Company was persuaded to extend its line to this property, part of which was set aside to build the prestigious Oak Bay Beach Hotel. This became one of the city's finest residential areas, and the Oak Bay Beach Hotel became a fashionable vacation resort.

Source: Alexander Begg, History of British Columbia from its earliest Discovery to the Present Time (Toronto: William Briggs, 1894), p. 556.

Year	Catch
1890	44,751
1891	50,495
1892	46,162
1893	70,332
1894	94,474

ANNUAL SEAL CATCH BY BRITISH SEALERS, 1890-1894

TABLE 3

In 1891 these three Canadians typified the city's business community.[3]

The group remained close knit, despite the new Canadian element. Continuity was insured through involvement in civic affairs and the Board of Trade. British interests continued to be important as well, and many new firms were capitalized by English investment like their predecessors. Such a case was the real estate firm of Bouchier, Croft, and Mallette. A member of the Board of Trade, Francis Bouchier, an Englishman, invested British capital in Victoria, and he promoted his adopted city by publishing and distributing glowing reports of Victoria's prosperity.[4]

At the same time, older firms acquired new partners. In 1885 N. P. Snowden acquired a share in the real estate firm founded in 1858 by Leopold Lowenburg. Snowden, an Englishman, became active in municipal politics and served on the Council as an alderman. The firm with branches in England funnelled large amounts of foreign capital through Victoria for investment in all parts of the province.[5] Snowden well represents the blending of the new and old elements; in 1886 he married Robert Dunsmuir's daughter, Emily.

The year 1890-1891 characterizes Victoria's apex as the province's major metropolitan centre. Still the major port, Victoria handled $987,672 worth of imports and $2,779,373 worth of exports. Vancouver, on the other hand, would only claim $331,955 and $569,406 respectively.[6] Exports from Victoria to the United States, British Columbia's largest market, reached a seven year high. (See Table 2, page 157.) Victoria's assessed value of real estate exceeded the

previous year by $8,196,548, and after expenditures of $301,476 the city treasurer reported a balance of $101,766. The entire civic assets were roughly placed at over two million dollars.[7] Victoria's entrepreneurs, such as R. P. Rithet, J. H. Turner, and J. H. Todd were being hailed as "pioneers of business"; the Board of Trade was "a well established institution composed of Victoria's brightest and ablest businessmen," while the Board of Trade Building symbolized Victoria's economic dominance.

It seemed inconceivable that the boom would end, but Victoria's prosperity proved to be short-lived. While the decline was gradual, it gathered force in the 1890s until, at the turn of the century Victoria stood outstripped by Vancouver.

The Canadian Pacific Railway was the major factor in the decline and this has been well documented.[8] The mainland city now had a rail link with Eastern Canada, and Canadians began to play a greater role in the provincial economy. The membership of Victoria's business community reflected this, and the Colonist noted the growing amount of Canadian goods entering British Columbia. As early as 1884 merchants like J. H. Todd were importing the majority of their goods from Eastern Canada, while J. H. Turner noted the increase in Canadian goods as well.[9] One year later, the Colonist reported that Canadian imports had nearly doubled.[10] The Canadian Pacific Railway significantly altered existing and long-standing trade patterns, and drew the western province closer to the economic life of Canada.

Other events contributed to the decline of the city. For

example it lost control of the sealing industry. In 1891 the Victoria sealing fleet numbered fifty vessels with an annual catch of about two thousand skins each. At that time the capital invested in the fleet amounted to approximately $780,000.[11]

Beginning in 1886 the industry experienced a series of bitter quarrels between the governments of Canada and the United States. The Americans sought to protect their monopoly on hunting through the Aleutian chain by forbidding pelagic sealing in American territories. To enforce its position, the United States began to seize any vessels sealing in the Bering Sea with their catches. The seizures occurred annually from 1886-1889; in 1891 a joint commission was struck to examine the problem. A moratorium on sealing was lifted the following year, but the commission recommended a strictly regulated pelagic sealing industry. Conservation of a dwindling resource had been a key factor in the dispute and its final solution.[12] Victoria's business community never quite recovered from the loss of a wide open sealing industry. (See Table 3, page 157.)

Compounding this problem was an economic depression of international scope which was first felt in 1892 and lasted some four years.[13] The supply of foreign capital began to slow, and Victoria's financial institutions, significant elements in the city's mercantile role, were severely checked. The Bank of British Columbia, which had long supplied the city's entrepreneurs with both capital and advice, did particularly badly, and in 1895 the English directors relinquished control to the Canadian Bank of Commerce.[14] The Commerce located its

head office in Vancouver, and other financial institutions followed suit. The depression saw a number of key wholesale outlets and other businesses move to the mainland as well, such as the salmon canning industry.

In the depression Victoria lost control of some key industries, an important financial institution, and trading patterns which had long dominated the provincial economy. The loss of influence continued into the new century and in 1901, for example, the Canadian Pacific Navigation Company was purchased by the C.P.R. The railroad company had dominated international trade with its "Empress" line since 1891, and the purchase of the Victoria based company ensured control of the coastal trade as well. Victoria was left with only the Boscowitz Steamship Company, whose two ships catered specifically to the cannery trade. Vancouver, on the other hand, also had the Union Steamship Company of B.C.[15]

This loss of control over maritime transportation facilities was another important factor in Victoria's decline, for the economy of the city had been built on the basis of trading imports and exports, wholesale and retail. In a larger context the loss can be seen as the replacement of an "old community minded entrepreneurial style of business"[16] by new business practices, typified by the railway and the apparent inability of Victoria's entrepreneurs to adapt to this change.

In previous years merchant capital had financed local and provincial projects. Investments in real estate, utilities, salmon canning and sealing had enhanced the economy and prestige of the city.

On the other hand, in the 1880s and 1890s businessmen in Victoria were unable to bring to fruition any one of their numerous railway schemes. For example, Rithet could not initiate the British Pacific Railway when Turner's government declined to provide crucial subsidies, despite his backing by English capitalists.[17] Yet in the past British capital had financed the salmon canning industry where costs were far less.

The salmon canning industry also suffered in this period to the detriment of the economy of Victoria. Like commercial enterprise in general, the years 1889-1901 saw growth in both the number of canneries established as well as the number of cases packed. (See Table 4, page 158.) Ironically this growth precipitated major problems in the industry. Over expansion, a limited market for the product, new canning technology, and changing financial institutions contributed to significant changes by the turn of the century.[18] For Victoria this meant a loss of influence and control over the industry. In 1891, for example, the Fraser River canneries were divided into five groups: locally owned canneries, led by R. P. Rithet and Company, comprised the Victoria Canning Ltd.; there were also two British backed companies, the B.C. Canning Co. Ltd. and the Anglo-British Columbia Packing Co. Ltd., with their headquarters in Victoria, and two independent canneries still operating on the Fraser River.[19]

By 1902 this dominance had disappeared. Declining profits and over production resulted in a series of mergers between canneries. The British Columbia Packers Association was incorporated in 1902, and it soon controlled more than half of the Fraser River canneries.[20]

Moreover, the new company was controlled by American and Eastern Canadian interests who located their headquarters in Vancouver. Changes in American legislation governing mergers made it possible for a New Jersey consortium to become involved in the salmon canning industry, where amalgamation was required to make the industry profitable once again. At the same time, expanded security markets in Great Britain, the United States, and Canada made large amounts of capital available to businessmen through banking institutions.[21] Greater access to capital would lessen the financial influence and power of the entrepreneurs.

Similar trends took place in the timber industry as well. The Board of Trade annual reports note the decline in exports of lumber from Victoria between 1891 and 1896; after 1900 the industry became increasingly dominated by American capital, based in Vancouver. Because large amounts of capital were required to service the increasingly complex aspects of forest harvesting, it was no longer feasible for individual entrepreneurs to enter the market and build up a business using their own profit for expansion.[22] Clearly the days of men like W. P. Sayward were gone.

Despite such setbacks Victoria remained gallantly oblivious to its inevitable eclipse by Vancouver. Those who suggested that Vancouver would soon overtake Victoria were dismissed as ill-informed and ill-mannered dreamers by the Colonist.[23] Yet the old arrogance was being shaken. In June 1891 the paper announced the establishment of a new line of steamers between Victoria and New Westminster, operated by the Irving interests. The Colonist claimed that Victoria could now be

considered as the ocean terminus of the Great Northern Railway. It also admonished businessmen of the city to ensure the success of the new steamship line, maintaining that "it is by reaching out . . . and by standing well together that they can not only hold their own, but . . . gain ground."[24] The change of tone may be subtle, but it is an important reflection of the changing times, especially in light of the old feud with a former mainland rival, New Westminster.

The inability of Victoria to capture much of the trade associated with the Klondike gold rush, the last great stampede of the century, illustrated the city's loss of economic leadership in the province. The Board of Trade responded to the gold rush typically by publishing brochures and maps advertising the city. These claimed that Victoria was the quickest, nearest, safest, and cheapest route to the gold fields, and that it offered supplies for the lowest price in the entire province. The publications also warned gold seekers of the dangers of using alternative transportation routes, pointing out that "many of the steamers for Klondike from other Pacific ports [have] met with disaster as they were unseaworthy." Passengers were advised to avoid all risks by taking Victoria steamers.[25]

Individually, businessmen also vigourously advertised Victoria as the supply depot for the Klondike. At a meeting in July 1897 more than twenty-one businesses subscribed to an advertisement, including E. G. Prior, W. J. Pendray, and Robert Dunsmuir and Sons. In all, the Board of Trade spent some $12,000 in advertising, yet the Colonist repeatedly pointed to a lack of any real effort on the part of the business

community to seize the initiative, and the major portion of the Klondike trade did go to Vancouver with its superior transportation links.[26] The C.P.R. gave its western terminus preferential freight rates to encourage the growth of an entrepôt role, and Victoria merchants had to bear the costs of the extra freighting across the Strait.[27]

While businessmen protested loudly about the growing influence of Vancouver, little action or initiative seems to have been taken to halt this development. There appears to be only two exceptions to this generalization. One was the formation of a citizens' action group, and the other was a growing awareness of the tourist potential of the city on the part of the business community.

The Citizen's Committee of Fifty was founded in the winter of 1898-99, and its goal was to halt the demise of the city's position. Many businessmen participated, for example, W. J. Pendray; David R. Ker of Brackman and Ker Milling; L. McQuade of McQuade and Sons; and Robert Seabrook, the vice-president of R. P. Rithet and Company.[28]

In a ten point plan the committee suggested a number of incentives and changes for the city. These included a large hike in liquor licenses and music hall licenses; a ten fold increase in the Gas and Electric Light Company's license; as well as a recommendation that personal and income taxes collected by the provincial government be made available to the city. Recognizing the importance of a railway link, the committee went on to propose a Port Angeles and Eastern Railway line, and it also approached the C.P.R. for service. In fact a sub-committee on railway connections was established. At the same time, two

very old issues were raised again; that is, the need to improve Victoria's harbour, and the suggestion that a mint be built in the capital city. Two sub-committees were struck to look into these matters, and other special areas of concern were revenue and taxation; internal economy, and the city debt.[29]

The issues raised by the Committee of Fifty indicate a genuine concern for Victoria's economic decline. The organization was preoccupied with issues relating to the city's entrepôt status, and the business community participated actively in this exercise. Yet, the ultimate failure of the committee indicates a very real lack of concrete effort on the part of businessmen to halt the decline.[30] Also pointing to this conclusion is the fact that the committee was a relatively isolated instance of public activity and concern for Victoria's development. Another dismal failure to be noted is the quick demise of the Victoria Stock Market. Established in October 1895, the Stock Market was capitalized by $250,000 worth of stock. It opened its doors in May 1896 with E. C. Baker as president, and closed in 1898 despite the fact that it was backed by some of the city's most influential businessmen, including R. P. Rithet.[31]

The business community was slow to realize that change was inevitable if Victoria was to continue to survive. The first signs of a new direction of thinking are obvious at the turn of the century when businessmen began to realize the potential impact of the tourist industry on the city. To its credit the business community quickly picked up this theme and pursued it.

The first significant effort to promote Victoria as a tourist center came after the turn of the century. In 1901 the Victoria Tourist Association was formed largely through the efforts of Herbert Cuthbert, a Victoria businessman, supported by the business community.

Cuthbert was a member of the B.C. Board of Trade where he was active in promoting the cause of tourism. Capitalizing on the city's heritage, Cuthbert coined slogans like: "Victoria--A Bit of Old England" and "Victoria--An Outpost of Empire." With Cuthbert, the Board of Trade was active in promoting Victoria's new image; the city was to be a tourist mecca rather than a commercial center. The first publication that acknowledged tourism as a potential industry was the B.C. Board of Trade's 1901 Annual Report Supplement. One year later the Board was waxing eloquent about "Picturesque Victoria, B.C.--the tourist city of the Canadian Far West."[32] In its publications it cited the city's English tradition and its beauty. American tourists were assured that a visit to Victoria was like a tour of the British Isles. The Board of Trade and the Victoria Tourist Association after 1900 co-operatively called for improved tourist services like ferries, hotels, and beautification projects like Butchart's Gardens and Beacon Hill Park.[33] They also helped to promote Victoria's tourist image abroad at world expositions. While the potential of Victoria's tourist industry became increasingly important after the turn of the century, it also signalled the end to an economic era when the city had dominated all aspects of a commercially oriented economy.

Reality was brought home to the British Columbia Board of

Trade in 1901. In recognition of its new place in the province's economic affairs it changed its name to become simply the Victoria, British Columbia, Board of Trade, because its members felt the old name no longer applied, and the Vancouver Board of Trade had complained loudly about the title.[34] This is a far cry from the Board's claim in 1882 to be the only institution representing the commercial interests of British Columbia.[35] The Board's membership had changed significantly from its early days, and many of its first members were no longer in Victoria. James Lowe died in San Francisco in 1879, and Robert Burnaby returned to England in 1874. William Curtis Ward returned to England in 1892, during World War I he lived in Victoria again, but shortly afterward he passed away in San Francisco. William Sayward retired to the California city. J. J. Southgate and Robert Ward both retired to England.[36] Those pioneer entrepreneurs who passed away in Victoria, however, were given lavish funerals. Typical is H. F. Heisterman's funeral in 1899 when Victoria's flags flew at half mast.[37]

Victoria was to enjoy great success in the coming years as a city oriented to the tourist industry, and businessmen would play a prominent role in that development. At the turn of the century, however, Victorians were less than optimistic about the capital's future. Having dominated the provincial economy for some four decades, it was difficult to give up the role. Victoria's newspapers and citizens loudly condemned the Canadian Pacific Railway for many years because they felt the railway company had cheated them of their destiny.[38] Collusion between the C.P.R. and Vancouver was directly responsible for the demise

of Victoria's prosperity. There is no doubt that the completion of the railway did, eventually, signal the end of the capital's business leadership, but, at the same time, a number of factors, such as the depression of the 1890s all contributed to the decline of Victoria. Changing trade patterns and the loss of key financial institutions were also important elements.

The decline also pointed to the fact that the style of business in the province was changing; it was increasingly influenced by technological changes and new markets, while important resource industries like salmon canning had been forced to consolidate to become more efficient in the changing times. The old entrepreneurial style of business where men like Rithet, Baker and Ward lent each other capital and advice on a regular basis in a tight-knit circle of business associates had become outmoded.

Victoria's business community had no way to halt the inevitable decline and erosion of the city's economic leadership. While the tourist industry would become a viable alternative in the period after 1900, it was only beginning to take shape at the turn of the century. Moreover, effective change was hampered by the fact that the city itself seemed reluctant to abandon the familiar image. As late as 1912 the old rhetoric was still surfacing. In an article entitled "Commercial Progress of Victoria," which appeared in the B.C. Magazine, the writer claimed that no less than five transcontinental railways would make Victoria their western terminus. The Canadian Pacific, the Grand Trunk Pacific, the Canadian Northern, the Great Eastern, and the

Great Northern railways would all come to Victoria via the Seymour Narrows, and the resulting expansion in all aspects of industry and commerce would be immense, the writer predicted. He also pointed out the asset of Esquimalt's fine harbour and, as for the Inner Harbour, it required only some dredging and the removal of some rocks to become a first class harbour.[39] It could have been James Douglas, Alfred Waddington, or R. P. Rithet speaking, for Victoria's perception of herself had remained relatively unchanged from its first days as a gold rush tent city through the flourishing 1880s, and, finally to its final decade as the former economic leader of the province.

TABLE 2

EXPORTS FROM VICTORIA TO THE UNITED STATES, 1885-1891

Year Ending June 30, 1885	$2,267,685
1886	2,302,437
1887	2,364,222
1888	2,624,909
1889	2,624,909
1890	2,472,126
1891	3,102,182

Source: Corporation of the City of Victoria, Victoria Illustrated (Victoria: Ellis and Company, 1891), p. 62.

TABLE 3

ANNUAL SEAL CATCH BY BRITISH SEALERS, 1890-1844

Year	Catch
1890	44,751
1891	50,495
1892	46,362
1893	70,332
1894	94,474

Source: Alexander Begg, History of British Columbia from its Earliest Discovery to the Present Time (Toronto: William Briggs, 1894), p. 556.

TABLE 4

BRITISH COLUMBIA SALMON PACK, 1879-1890

Year	Cases Packed
1879	61,093
1880	61,849
1881	177,276
1882	255,061
1883	196,292
1884	141,242
1885	108,517
1886	161,083
1887	184,040
1889	414,294
1890	409,464

Source: Corporation of the City of Victoria, Victoria Illustrated (Victoria: Ellis and Company, 1891), p. 48.

TABLE 5

REVENUE FOR THE PORT OF VICTORIA AND VANCOUVER, 1899-1910

Year	Revenue in Thousands of Dollars	
	Victoria	Vancouver
1899	2,697	1,675
1900	2,999	3,797
1901	9,771	7,028
1902	4,422	7,759
1903	4,340	9,529
1904	4,069	10,362
1905	5,028	11,479
1906	4,301	15,538
1907	8,228*	13,840*
1908	6,195	20,373
1909	5,431	17,750
1910	6,376	24,643

*Nine months of operation

Source: John M. Wright, "The Settlement of the Victoria Region, B.C." (unpublished M.A. thesis, McGill University, McGill University, Montreal, 1958), p. 44.

TABLE 6

POPULATION GROWTH, VICTORIA, B.C., 1853-1901

Year	Population	Notes
1853	300	Whites only.
1858	1,200	
1861	3,500	Whites only, predominantly English and American.
1862	4,500	
1863	6,000	Excludes immigrants.
1870	3,270	Includes Esquimalt.
1871	3,270	
1874	4,647	Whites--3,467; Chinese--493; Coloured--210; Natives--487.
1881	5,925	
1891	16,841	
1901	20,919	

The boundaries of Victoria were expanded in 1874 and 1890.

Sources: 1853--B.C. Board of Trade, Victoria Past and Present (Victoria, 1901), p. 4.
1858--Dorothy Blakey-Smith, ed., "The Journal of Arthur Thomas-Bushby 1858-1859," B.C. Historical Quarterly, Vol. 21 (1957-58), p. 86.
1861--Board of Trade, Victoria Past and Present, p. 4.
1862--Victoria Daily Times, 1 October 1901.
1863--British Columbia and Victoria Directory (Victoria: Howard & Barnett, 1863), p. 5.
1870--George A. Nader, ed., Cities of Canada, Volume Two: Profiles of Fifteen Metropolitan Centres (Toronto: Macmillan of Canada, Mclean-Hunter Press, 1976), p. 199.
1874--British Columbia and Victoria Directory, 1874 (E. Mallandaine, 1874), p. 1.
1870, 1881, 1891, 1901--Censuses of Canada, 1871, 1881, 1891, 1901.

TABLE 7

BIRTH PLACE OF FOREIGN BORN, VICTORIA, B.C., 1881-1901

	1881		1891		1901	
	Number	% of Population	Number	% of Population	Number	% of Population
British Isles	2,116	35.7	5,941	35.3	6,166	29.5
British Colonies	83	1.4	226	1.3	476	2.3
France	48	.8	63	.4	76	.4
Germany	127	2.1	288	1.7	254	1.2
Italy	16	.3	68	.4	47	.2
Russia and Poland	7	.1	21	.1	38	.2
Spain and Portugal	5	-	9	-	11	-
Scandinavia	28	.5	182	1.1	211	1.0
United States	733	12.4	1,568	9.3	1,857	.9
China and Japan	-	-	2,080	12.4	3,217	15.4
Holland	-	-	-	-	14	-
Iceland	-	-	-	-	58	.3
Austria and Hungary	-	-	-	-	16	-
Switzerland	-	-	-	-	22	.1
Other	68	1.1	355	2.1	98	.5
Total Number of Foreign Born	3,231		10,801		12,561	
Total Population	5,925		16,841		20,919	

Source: Censuses of Canada, 1881, 1891, 1901.

Footnotes

[1]Robert A. J. McDonald, "The Economic Setting for Vancouver Business Development" (unpublished paper, 1976), p. 25.

[2]City of Victoria, Victoria Illustrated, p. 92.

[3]Ibid., p. 93.

[4]Ibid., p. 10.

[5]Ibid., p. 93.

[6]Ibid., p. 16.

[7]Ibid., p. 80.

[8]See, for example, Ruzicka, "The Decline of Victoria" and Ormsby, British Columbia, pp. 259-92.

[9]Colonist, 2 January 1884.

[10]Ibid., 2 January 1895.

[11]F. W. Howay, British Columbia and the United States, p. 320.

[12]Ibid., pp. 321-25.

[13]Ruzicka, "The Decline of Victoria," p. 43.

[14]Leonard D. McCann, "Urban Growth in a Staple Economy: The Emergence of Vancouver as a Regional Metropolis 1886-1914," Vancouver: Western Metropolis, ed. L. J. Evenden (Victoria: University of Victoria, 1978), p. 32.

[15]"Canadian Pacific Navigation Company," Vertical File, PABC.

[16]McCann, "Urban Growth in a Staple Economy," p. 32.

[17]J. H. Turner to R. P. Rithet, 2 October 1896, Letterbook I, Rithet Family Papers, PABC.

[18]David J. Reid, "Canning Mergers in the Fraser River Salmon Canning Industry, 1885-1902," Canadian Historical Review, LVI (September 1975), p. 302.

[19]Ralston, "Patterns of Trade and Investment on the Pacific Coast," pp. 41-42.

[20]McDonald, "The Economic Setting for Vancouver Business Development," p. 40.

[21]Reid, "Canning Mergers," pp. 283-89.

[22]McDonald,"Business Leaders in Early Vancouver," p. 33.

[23]Colonist, 13 December 1888.

[24]Ibid., 2 June 1891.

[25]British Columbia Board of Trade, Victoria, B.C., Canada: The Headquarters of Miner's Outfitters (Victoria: Colonist Printers, 1897), p. 2.

[26]Colonist, 30 July 1897.

[27]Colonist, 1 June 1887.

[28]Citizen's Committee of Fifty, Minutes of Proceedings, 1898-1899, PABC G/V66/C49, PABC.

[29]Ibid.

[30]The committee seems to disappear from sight after 1900. No reference has been found to its existence after that time.

[31]Brooks, "Edgar Crow Baker," p. 290.

[32]Hebert Cuthbert," Vertical File, PABC; Kenneth Lines, "A Bit of Old England: The Selling of Victoria" (unpublished M.A. thesis, University of Victoria, 1972), p. 25.

[33]Chamber of Commerce, 100 Years, p. 15.

[34]Colonist, 12 October 1901.

[35]B.C. Board of Trade Address to the Governor General, the Marquess of Lorne, Annual Report, 1879-1880 (Victoria Colonist Printers), p. 2.

[36]"James Lowe," "Robert Burnaby," "W. C. Ward," "W. P. Sayward," "J. J. Southgate," "Robert Ward," Vertical Files, PABC.

[37]"H. F. Heisterman," Vertical File, PABC.

[38]Ruzicka, "The Decline of Victoria," p. ii.; Colonist, 28 January 1890.

[39]Ernest McGaffey, "The Commercial Progress and Future of Victoria," B.C. Magazine, VXIII (May 1912), pp. 374-80.

CONCLUSION

The business community of Victoria played an important role in the development of the city. During the period from 1880-1892 in particular, businessmen dominated municipal politics, were active in provincial and federal politics, participated in civic organizations, and provided social leadership. Moreover, they were a close knit circle of individuals connected through business endeavours and membership in the Board of Trade, as well as other organizations.

While the mercantile community as a whole was active in politics and Board functions, an inner circle did emerge. Comprised initially of commission merchants and wholesalers, typified by R. P. Rithet, this elite grew to include men like E. C. Baker and R. B. McMicking as merchants became entrepreneurs. These individuals tended to be of English or Scottish stock and were Protestants of various faiths. For the most part they had settled in Victoria during the first gold rush days, and they remained in the city throughout the years of boom and bust, giving it a definite British flavour in keeping with its origins.

On the other hand, the business community did have a very cosmopolitan nature; its Jewish members built a synagogue in Victoria; German businessmen participated in one of the city's first cultural organizations, the Germania Sing Verein; while French entrepreneurs built two prestigious hotels and founded a French language newspaper. In addition, they mixed freely with British and Scottish merchants in the Board of Trade, municipal politics, and social events.

H. F. Heisterman conducted many real estate ventures with men like R. P. Rithet, and Robert Ward married the step-daughter of his employer, Mr. Stahlschmidt. Unlike other urban centres during this period, membership in the business community was not restricted to Anglo-Saxon Protestants.

Until late in the 1890s this elite grew from within; that is, younger members of the business community like Joshua Davies and Robert Ward were often related to older individuals; it was not unusual for them to serve an apprenticeship with established firms before starting their own business enterprises. These endeavours took place in fields well established in Victoria: real estate, insurance, wholesaling and retailing, and later salmon canning and sealing. In addition, new members of the business community were also active in politics and civic organizations. Thus this group of individuals provided leadership over a period of some three decades, while commercial enterprise grew along well established lines that maintained Victoria's economic dominance over the surrounding hinterland as well as the mainland.

As a group these men made positive contributions to Victoria. They lobbied successfully for better maritime connections with the mainland and San Francisco; in the political forum they attracted manufacturing interests to the city. In addition they assisted fellow entrepreneurs in the establishment of utilities and railway lines. Their commercial pursuits like investments in salmon canning and mining speculation made the city the head office for a variety of companies. Entrepreneurs provided the capital to set up canneries and maintain a

sealing schooners headquartered in Victoria. On an individual basis businessmen invested in manufacturing concerns, constructed wharves and warehouses, and built steamer lines.

Victoria became a metropolitan centre as it began to service its hinterland with maritime transportation facilities, capital for investment, and the delivery of imported goods. These same facilities made it possible for Victoria to export the resources of Vancouver Island and British Columbia to the world. Businessmen as a group and on an individual basis contributed to this metropolitan growth.

Yet despite their many successes and contributions, Victoria businessmen ultimately failed to halt the decline of the city at the turn of the century. Certainly by 1910 Vancouver outstripped the capital city and had established itself as the leading commercial centre in the province. The respective revenues of the two ports during the period 1899-1910 substantiate this. In 1899 Victoria's receipts were greater than Vancouver's by approximately forty per cent; in 1910 Vancouver's revenue was almost four times as great as Victoria's[1] (See Table 5, page 159.) This figure is especially signficant in that Victoria's commercial prominence had largely been built on the basis of maritime trade and imports and exports.

If one acknowledges the positive role businessmen played in the success of Victoria, one must also examine their converse role in the decline of the city. It seems apparent that factors beyond the control of local businessmen played a major role in this decline. One was technological innovation typified by the railway. This had significant

implications for the provincial economy which, as Robert McDonald has noted, began to turn inward from its older maritime orientation.[2] In Victoria during the 1890s this change was reflected by the increasing number of eastern Canadian businessmen settling in the city, as well as the growing amount of Canadian goods being handled by established companies who previously had dealt principally in British and European goods.

Yet, technological change was not the only factor contributing to decline. New trading patterns were enhanced by innovations in finance; the growth of the securities market, limited liability companies, and banking institutions undermined the influence of Victoria entrepreneurs. In the case of the Victoria business community, mergers in the salmon canning industry, which resulted in a loss of control by Victoria, reflected these new business practices. At the same time, an international dispute put an end to the lucrative sealing industry. In some respects businessmen in Victoria were victims of a dramatic shift, beyond their control, in well established economic institutions.

Victoria was not the only community to suffer decline as a result of change at the turn of the century. The experience of Halifax and of the Maritime region in general offers another example of how influences outside the scope of a city's own decision making abilities can determine the failure of the community. These influences have been defined as "large scale forces,"[3] and studies by David Sutherland and T. W. Acheson show how factors such as the shift from a maritime oriented trade with Britain and its colonial possessions to a more industrialized

economy bolstered by the National Policy of the Canadian government, as well as technological advancements personified by the railway, resulted in the domination of Maritime commerce by central Canada, despite the efforts of resident business communities to adapt to change.[4]

Like Victoria, Maritime cities were unable to respond adequately to change and hence lost their commercial status to those centres better served by railways and financial institutions. Unlike Victoria, Halifax never effectively controlled the surrounding hinterland. While geographical isolation plagued the Nova Scotia capital throughout its development, this became a critical factor for Victoria only in the 1890s.[5]

It is not appropriate, however, to suggest that businessmen were entirely blameless for the decline of Victoria or that it was entirely beyond their means to influence the loss of commercial control. Studies on Winnipeg and other prairie communities show how strong a force businessmen can be in promoting their city and ensuring its growth. E. J. Nobles analysis of Orillia during the period 1887-1898 illustrates what far reaching effects a dynamic, competitive business community can achieve.[6]

Nor was Victoria's interest in municipal reform in 1876 and 1891 uncommon. James D. Anderson notes the urban reform movement "swept across the nation around the century," as cities began to grow rapidly and industrialize. At the same time he refers to this period as the "great barbecue" when businessmen were popular leaders and government's primary responsibility was perceived to be the fostering of commerce.[7]

Yet businessmen were in the vanguard of the reform movement, and its major objective was to see city government run in a more businesslike fashion. This meant furthering the interests of the mercantile community through methods such as railway grants and bonuses for commercial enterprises.

The desire for efficient government included doing away with the ward system, and replacing it with at-large elections. In the process, voter qualifications continued to favour the commercial elite. Reform also meant the introduction of supposedly non-partisan commissions or management boards whose function was to conduct the daily business of the city, thereby separating the political from the administrative role in government.[8]

These characteristics of the reform movement can be seen in Victoria during the 1891 election when the Citizen's Association was formed with the mandate to elect businessmen to council. True reform, however, did not take place for several years. Although council considered changing the ward system for at-large elections in the 1890s, Victoria did not abandon wards until 1912. Other Canadian cities embraced the reform institutions more quickly. Edmonton, for example, pioneered the commission board form of administration, and its 1984 reform charter was quickly copied by the city of Regina.[9] In 1907 Samuel Wickett noted that while the provisions for local administration in Victoria were modelled on those of the older provinces, the city's municipal development lagged behind communities in the east.[10]

While boosterism was a factor in the pursuit by Victoria

businessmen for modern utilities, for a railway link with the mainland, and, later, in promoting a tourism role for the city, the degree of boosterism is somewhat less marked than in other cities during this period. It never seems to reach the pitch espoused by the business elite of Winnipeg, for example.

Surely a key factor is competition, for Victoria had no serious competitor during its growth as a metropolitan centre until Vancouver was established in 1885. The early rivalry with New Westminster never seriously challenged the status of Victoria which had been enhanced by the policies of Governor James Douglas. Competition with Vancouver did not begin in earnest until the late 1890s, and the reputation of Victoria as the commercial entrepôt dwindled during the depression that preceded the next century. The Board of Trade maintained that "everytime Vancouver wanted to wrest from Victoria an industry or a government office . . . Victoria merchants banded together in the Board of Trade and raised a howl."[11] Yet the Board was unable to arrest the trend, and businessmen were unable to secure for Victoria the all important rail link. In contrast, businessmen in Orillia, Ontario, successfully attracted rail connections to their community, thereby assuring its future growth.

Alan Artibise characterizes the booster mentality as a state of mind typified by "a belief in the desirability of growth and material success."[12] He notes that in the context of the Prairie cities of Winnipeg, Regina, Calgary, Edmonton, and Saskatoon, boosterism was an

essential ingredient in their successful rise to metropolitan stature. Boosters realized that because no one prairie community had an initial geographical advantage over another, leadership and self-promotion would be vital for growth. This mentality continued into the 1940s and the development of these centres was marked by inter-city rivalry with regard to the development of utilities, the establishment of industries, and the securing of rail links.[13]

These studies suggest that competition and boosterism may be important factors in the success of a community. In this context, Victoria seemed to lack the extremely vocal elements dedicated to growth at any cost which characterized other Canadian cities. While the business community in Victoria undoubtedly helped to shape the economic functions of the city and played an important role in its development, it did lack dynamism in some respects. For example, in the early years of growth, the commercial status of the city was enhanced by the policies of Governor Douglas, who was supported by the business community, and during its initial years the Chamber of Commerce was not a very effective institution. This may be the result of the favourable conditions under which Victoria just began to grow as a commercial centre. The gold rushes created a market for goods and attracted merchants to fill the demand. Victoria's free port status greatly enhanced the status of the city as an entrepôt based on maritime trade. Important economic links were built on the close ties of the fledgling business community with British merchants in San Francisco.

This lack of competition and adversity may be a factor in the

ultimate failure of the business community to maintain the metropolitan status of Victoria. Ironically, in this context, Victoria was not unlike Vancouver, where the merchants were also lethargic. McDonald suggests Vancouver businessmen were inclined to believe that metropolitan status for Vancouver was inevitable. Vancouver's location, with an excellent harbour and superior transportation facilities, may have made business leadership superfluous.[14] In the case of Victoria during the end of the 1890s dynamic leadership was called for and did not appear, despite a long tradition of activity by businessmen in every important civic institution.

In the final analysis, the period 1858-1900 does suggest that the business community successfully shaped the commercial role of Victoria. Taking into consideration such other factors as the early leadership of Governor Douglas; the manner in which the gold rush provided economic impetus to the city; and the geographical good fortune it enjoyed as a British port of entry, it must be stated that merchants and entrepreneurs not only contributed significantly to the growth of Victoria, but also helped to shape a metropolitan centre by virtue of their economic activities. At the same time, the city's economic stature was built upon a pacific oriented maritime trade and on a community oriented entrepreneurial style that was no longer practical after 1900. Victoria's loss of control over the salmon canning industry clearly illustrates this.

By 1900 the National Policy of the Canadian government began to influence commerce in the Pacific northwest. Although a province

since 1871, British Columbia, like the Maritimes, had continued to pursue its economic activities more or less independently of central Canada. If the railway symbolized technological change, it also signalled closer business contacts with Canada.

Transportation links began to open up the hinterland previously exploited almost exclusively by Victoria. Robert McDonald has noted how central Canadian investors and businessmen followed the railway into areas such as the coal rich east Kootenays. The direction taken by the forestry industry after 1900 also suggests a continental shift in the provincial economy. As the prairie wheat lands began to prosper, their demand for lumber increased; the focus of the industry changed from a coastal orientation to a hinterland one.[15]

Other hinterland regions, such as the Okanagan and central Vancouver Island also expanded during the post 1900 period. As British Columbia's transportation links to Canada increased, so did its population, and railway building became an important economic function which provided markets for natural resources, manufactured goods and a labour force.[16]

Vancouver could capitalize on this economic activity in the hinterland of the province. In fact, "the principle source of Vancouver's growth was its link to the area's resource base."[17] The growth of the hinterland was due, in part, to the policies of the federal government, that is, the National Policy, which the railway epitomized. British and American capital investment continued to be important to the province's economic growth, but by 1900 these

commercial ventures were centred in Vancouver with its superior transportation connections rather than Victoria.

Maritime trade continued to be an important aspect of the provincial economy, but ironically, Vancouver's superior harbour facilities gave it another transportation advantage over Victoria. This function was greatly enhanced by ties to central Canada and a National Policy that fostered the movement of goods from east to west and the flow of raw resources from west to east.

Inevitably, the business community of Victoria, which had played an important role in Victoria's evolution during the period 1858-1900, was not able to maintain its control over the province's economic activities. While Victoria continued to search for new areas of growth and a new role for itself after 1900, by that time the city had ceased to serve as a major commercial centre.

Footnotes

[1]John M. Wright, "The Settlement of the Victoria Region, B.C." (unpublished M.A. thesis, McGill University, 1956), p. 44. Vancouver's supremacy was manifest even earlier in other areas. For example, in 1902 Vancouver had 360 retail outlets to Victoria's 256. Henderson's B.C. Directory (Victoria: L. G. Henderson, 1902), pp. 1009-1106.

[2]McDonald, "Victoria, Vancouver and the Economic Development of British Columbia," p. 50.

[3]Artibise and Stelter, eds., Canada's Urban Past, p. xix.

[4]See: David Sutherland, "Halifax Merchants and the Pursuit of Development, 1783-1850," Canadian Historical Review, LIX (1978), pp. 1-17; Sutherland, "Halifax 1815-1914: Colony to Colony," Urban History Review, 1-75 (June 1975), pp. 7-12. T. W. Acheson, "The National Policy and the Industrialization of the Maritimes," pp. 41-94; Acheson, "The Maritimes and 'Empire Canada,'" Canada and the Burden of Unity, ed. David J. Bercuson (Toronto: Macmillan of Canada, 1977), pp. 87-114.

[5]Ibid.

[6]E. J. Noble, "Entrepreneurship and Nineteenth Century Urban Growth: A Case Study of Orillia, Ontario, 1867-1898," Urban History Review, Vol. IX, No. 1 (June 1980), pp. 64-89.

[7]James D. Anderson, "The Municipal Reform Movement in Western Canada, 1880-1920," The Useable Urban Past: Planning and Politics in the Modern Canadian City, eds. Alan Artibise and Gilbert Stelter (Toronto: Macmillan-Carleton University, 1979), pp. 74-75.

[8]Robert McDonald demonstrates the existence of a reform movement in Vancouver during the city elections of 1905: "Its principal argument was that businessmen on council . . . would provide a systematic and efficient administration of public affairs." The mayorality candidate called for encouragement of industry and commerce. Alan Artibise documents three distinct reform movements in Winnipeg's municipal government: 1881-1884, 1897, and 1904-1907. His conclusion that "reform" was prompted by the business community, and not the general public, to achieve a more businesslike form of government parallels Anderson's argument. McDonald, "Business Leaders in Early Vancouver," p. 301; Artibise, Winnipeg, p. 54.

[9]Anderson, "The Municipal Reform Movement," pp. 81-87.

[10]Wickett, Municipal Government, p. 216.

[11]Chamber of Commerce, 100 Years, p. 15.

[12]Noble, "Entrepreneurship and Nineteenth Century Urban Growth," p. 79.

[13]Ibid.

[14]Artibise, "Patterns of Prairie Urban Development," p. 121.

[15]Ibid., pp. 115-47.

[16]McDonald, "Business Leaders in Early Vancouver," pp. 326-27.

[17]McDonald, "Victoria, Vancouver, and the Economic Development of British Columbia," pp. 44-47.

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