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Cover: Shipyard in the fields near Dorchester, N.B., c. 1870. Courtesy of the Public Archives of Canada, C-10103.
SHIPPING AND
SHIPBUILDING IN
ATLANTIC CANADA
1820-1914

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SHIPPING AND SHIPBUILDING IN ATLANTIC CANADA, 1820-1914

In the last half of the nineteenth century, Canada possessed a great merchant navy, and Canadian ships appeared frequently in ports on both sides of the Atlantic Ocean. At its peak in 1878, the Canadian fleet included about 7,500 vessels whose total capacity was 1.3 million tons; to this total could be added the 1,600 vessels in the fleet of Newfoundland. In 1878, and for a few years thereafter, Canada could claim the fourth largest merchant marine in the world, behind the fleets of Great Britain, the United States, and Norway. The vessels in this fleet were owned and registered in many places across the nation: along the banks of the St. Lawrence, around the Great Lakes, beside the rivers of the Prairies, and along the coast of British Columbia. But the centre of the shipping industry was the Atlantic coast, for the Maritime provinces and Newfoundland together accounted for 72 per cent of all shipping tonnage registered in British North America. In the large ports and the smaller outports of the Atlantic provinces, shipbuilders and shipowners and working people had created a major Canadian industry.

A great deal of evidence remains about the shipping industry of the nineteenth century, but our portrait of the industry has not always been clear. In the eyes of Maritimers, the sailing ships of long ago are a source of pride and curiosity, and a reminder that from the resources of their region they once created an industry capable of competing in international markets. At the same time, it is easy for a justifiable pride to turn into romantic nostalgia, yielding an idealized image of "wooden ships and iron men." Paintings and photographs from the nineteenth century preserve the image of the sailing vessel as a thing of beauty, and the Bluenose schooner, an image of graceful speed, remains our favourite visual relic of that age. Popular historians have written about fast passages made by hardy Bluenose masters and their rough but ready crews. Frederick William Wallace, the first major historian of Canadian sailing ships, contributed to the romantic imagery when he used the great age of sail to console and to encourage Maritimers in times of depression. Politicians seized upon the romance, not only to attract tourists, but also when justifying their own economic initiatives as the beginnings of a new golden age. More serious for historians, however, was the general failure to understand why the shipping industry declined. Historians seem to have been reluctant to admit that by their own decisions Maritimers themselves might have put an end to the golden age of sail; instead, historians said merely that the wooden sailing ship was made obsolete by the iron steamship. This explanation may have served the romantic image of a golden age which was inevitably doomed. It did not help us to understand why the shipping industry declined.

Sailing ships may be viewed from many perspectives, and there is no denying the beauty and majesty of a sailing ship as she flies before the wind. But to his-
torians these vessels must be understood as machines, as units of production in a transportation industry, and as places where men and women worked. Sailing vessels were an integral part of the economies of the Atlantic provinces, and these economies were based upon natural resources, or staples. Our ancestors in the Atlantic colonies lived by producing and exporting staples: fish, timber, sealskins, coal, agricultural produce, iron ore, and other products of land and sea. They required ships to transport the many imports, especially manufactured goods, which they desired. They also required many small ships to take goods from large importing centres to smaller outports. Sometimes they required vessels to produce staples: thus boats and decked vessels were used to catch fish and seals (a boat is a small undecked craft; “vessel” usually refers to a craft having at least one deck). Shipping was therefore essential to the staple-based economies of Atlantic Canada. Because vessels were so important to the economy, they became part of the way of life, and part even of the culture, of coastal peoples. Sailing vessels became sources of civic pride and symbols of progress, and a harbour filled with sails was a sign of healthy trade and prosperity. Ships were celebrated in song, and they were also cursed, for many of those who worked in them never returned from the treacherous waters of the Atlantic.

The shipping industry can tell a great deal about the people of Atlantic Canada and their history. This industry grew out of the natural and the human resources of the region. The industry arose and declined largely because of changes in staple-based economies on the eve of the Canadian industrial revolution. This is an important story, even if it is not a romantic one.

The beginnings of the industry

There is no simple explanation for the rise of shipping and shipbuilding in Atlantic Canada. We are dealing with two industries — shipbuilding and shipowning — and the causes for growth differed from one industry to the other, and from one colony to another. If there is a common origin, it lies in the exploitation of North American resources for export to trans-Atlantic markets, and in the nature of the resources themselves. Ships were necessary to export these resources, but for more than three centuries after John Cabot visited Canadian shores in 1497, most of the ships were built and owned on the European side of the Atlantic Ocean. By the sixteenth century, many vessels were coming from Europe every year to fish on the Grand Banks and along the coasts of Newfoundland and Labrador. Fishermen built boats on these shores, and when permanent settlers came to Newfoundland, to Acadia, and to the banks of the St. Lawrence, they built small vessels for local coastal trading. But by the eighteenth century, most of the vessels carrying goods and people across the Atlantic were still owned in Europe. Shipbuilding in the Maritimes was a small-scale activity and, outside the naval dockyards, shipbuilding and ship
repairs were scarcely an industry at all. By the end of the American War of Independence in 1783, there were only about three hundred vessels owned in the Maritimes.

The growth of shipbuilding and shipowning occurred when immigration and population increase coincided with the growth of both coastal trades and staple production. Loyalists and other immigrants sought new markets for the region's first great staple, fish, and they found markets in the sugar islands of the Caribbean. After the American Revolution, the British banned American participation in trade to the British West Indies until the ratification of Jay's Treaty in 1794, and this encouraged Nova Scotian participation in the carrying trade to the West Indies. But shipping — and especially shipbuilding — received a much greater stimulus in the first decades of the nineteenth century. This stimulus came from the sudden growth of another staple — timber. After 1806 Napoleon's "Continental System" threatened to cut off Britain's imports of timber from Scandinavian and Northern European countries around the Baltic Sea. The British decided to develop a secure alternative, and to do so they increased import duties on Baltic timber, while encouraging the production of British North American timber by means of bounties, subsidies, and lower duties. As the timber trade grew, it encouraged the shipbuilding industry in the Maritimes and in Lower Canada. Timber was a bulky commodity requiring relatively large vessels; in wartime the supply of ships from shipyards in Britain did not keep pace with demand. Thus Maritime shipbuilding expanded, and much of the new tonnage was used to ferry timber across the Atlantic.

Shipbuilding yards were often set up by men connected with the timber trade, and at first most of these men were merchants with business connections in England or Scotland. In September 1818 for example, a vessel landed in Charlottetown, PEI, carrying a master shipwright named William Ellis. Ellis brought a few labourers to assist him, as well as shipbuilders' tools, equipment, ropes, sails, and everything necessary for building and outfitting a sailing vessel. This shipbuilding operation was financed by a merchant in Bideford, Devonshire. Ellis and his men went to Richmond Bay, PEI, where they cleared land, built wooden shelters, and felled timber. During the winter of 1818-19, Ellis and his men built the *Mars*, a ship of 341 tons (the terms "ton" and "tonnage" are a measure not of weight but of carrying capacity — roughly one hundred cubic feet). This was the beginning of a major shipyard, financed from England. A few years later a young merchant from Bideford, who had been sent out to help manage the business and to buy food for the workers, acquired control of the shipyard. This man was James Yeo, and he became one of the major shipbuilders and shipowners in Prince Edward Island between the 1820s and 1850s, building or owning at least 135 vessels.

Many shipyards had similar origins, beginning with the transfer of men and capital from Britain. But gradually shipbuilding became a local industry,
depending on resident craftsmen and local capital. Ships were built in many places, but as time passed the industry tended to be concentrated in fewer locations, usually where timber resources were plentiful and where more permanent shipyards were built. By far the largest shipbuilding centre was Saint John, which was located at the mouth of the Saint John River, from which came so much of New Brunswick’s timber. Other important shipbuilding centres were Saint Martins, NB; Miramichi, NB; Yarmouth County, NS; Pictou County, NS; many places along the Bay of Fundy shores of Nova Scotia; and many places in Prince Edward Island. As vessels became larger, shipbuilding became more concentrated in location, so that by the last decades of the nineteenth century a majority of the new tonnage was coming from a mere twenty-five shipbuilding towns and centres. Shipbuilding began as a small pre-industrial craft, employing a few men in each shipyard, and it evolved into a major industry in which a single shipyard might employ a hundred men. There were axemen to fell the timber, sawyers to work the saws, blacksmiths to forge the iron fittings, sailmakers to make the sails, caulkers to seal the joints, riggers to fit the masts and yardarms, shipcarvers to carve the figureheads, and many ship carpenters and apprentices. From the pine and spruce forests of the Maritimes, these men created the first major manufacturing industry in the region.

Shipbuilding expanded first, and shipowning followed later. Given the dwindling supply of timber in Britain, the duties on Baltic timber, the abundant supplies of timber in British North America, and the continuing growth of British overseas trade, the Maritime colonies had a great advantage in the business of building and selling vessels. Shipbuilding output declined for a few years after 1815, with the end of the Napoleonic Wars and ensuing depression, but soon revived as the market for ships in Britain expanded. Thus, in the first half of the nineteenth century, about half of all tonnage built in the Maritimes ended up on registry in the United Kingdom. But shipbuilders also sold tonnage to timber merchants who resided in the Maritimes. These timber merchants were interested in selling timber, but they found that owning vessels could help to keep transport costs low, and that they could make additional profits by selling the timber ship, as well as its cargo, when prices for vessels were high. Gradually timber merchants became short-term shipowners. In many parts of Atlantic Canada, therefore, shipowning was the offspring of the timber trade: timber was the building material for ships, and timber was the staple which required shipping.

Timber production was not the only reason for the growth of shipping and shipbuilding, of course. Timber was important in Saint John, in the Bay of Fundy area, and on the Miramichi River, but elsewhere other trades created a demand for ships. Total tonnage on registry in the Maritimes and Newfoundland increased from about 100,000 tons in the early 1820s to 380,000 tons in 1850. Much of this growth was accounted for by small schooners and brigantines.
designed mainly for coastal trading rather than for timber voyages. Such small vessels accounted for about a third of all new tonnage in Nova Scotia and New Brunswick between 1820 and 1850. On the eastern coast of Nova Scotia, and especially in Halifax, three related trades occupied the majority of vessels: the fisheries, the West Indies trade, and coastal trading within British North America. Even further removed from the timber trade was the fleet of Newfoundland, which served little else but the fisheries, the seal hunt, and the business of supplying scattered outport communities. In Nova Scotia and in Newfoundland, a large proportion of foreign trade was conducted through the dominant entrepots (Halifax and St. John's), and so large fleets of small vessels were required to distribute goods to and from these ports. By mid-century there were 176,000 tons on registry in Nova Scotia, and another 50,000 tons registered in Newfoundland. Most of this tonnage lay under the decks of small vessels of 250 tons or less, and most was deployed in the local coastal and staple trades.

The golden age of sail

In the three decades after 1850, the fleets of the Atlantic provinces grew rapidly and almost continuously, until by 1878 over a million tons of shipping were on registry, almost all of which was owned in the region. What caused this remarkable growth of the old sailing ship industry? And how did this growth relate to the resource-based economy of Atlantic Canada? In the first place, little of this growth was related to the sale of ships in Britain and elsewhere: the British market for wooden sailing vessels shrank rapidly in the 1860s and 1870s. Some of the growth resulted from continuing expansion of the old staple trades. The timber trade grew slowly, though intermittently, into the 1870s, and it is likely that more loads were being shipped in locally-owned vessels. There was also a modest growth in the volume of fish exported from Newfoundland and Nova Scotia, but conversely the West Indies trade stagnated after the 1860s. Coastal trading expanded, but outport populations grew at a slower rate than before 1850, so that coastal fleets expanded slowly. Thus the traditional staples, and coastal commerce, encouraged some new investment in shipping, but they explain only a part of the investment boom which occurred in these decades.

Merchants and shipowners were responding to new opportunities in these decades, and above all they were responding to the opportunity to carry goods which belonged not to the shipowner himself but to other merchants in distant places. Vessels could be chartered to carry cargoes at particular rates. A vessel carrying barrels of oil from New York to London might earn eight shillings per barrel, for example. Such freight rates were widely publicized in the shipping newspapers, and the arrival of telegraph lines speeded the transmission of freight information in this period. In the early 1860s and the early 1870s, Maritimers saw many freight rates move sharply upward. The reasons for these movements in freight rates are complex, but one reason was the decline in the supply of
shipping in the United States. The Americans possessed the second largest fleet in the world. Their fleet declined by about a third during the Civil War and grew very slowly thereafter, yet the volume of American goods to be shipped across the Atlantic increased rapidly. As a result, freight rates from American ports increased, and shipowners in the Maritimes were well situated to profit from this opportunity. In the 1860s vessels from the Maritimes appeared more often in American ports, and departed with large quantities of American staples, such as wheat, cotton, and petroleum.

This new interest in American exports does not mean that the connections with Canadian staples were severed. Local exports and local coastal trades were still important. And other events within the local economy help to explain the "golden age of sail." It is likely that by the third quarter of the nineteenth century, the traditional staple industries of the Atlantic colonies had reached a limit to growth, or a threshold beyond which returns on investment began to fall. Prices received for the New Brunswick timber exports were declining, for instance. Fish production could not expand further without new markets or new technology. In these circumstances merchants were likely to seek out new opportunities for profitable investment, and there is plenty of evidence that this was happening. Shipowning could be one such opportunity, especially when the prices for both timber and ships were falling. Now it made sense to keep a vessel rather than to sell it, and to search for profits in the freight market. W.M. Smith, the Controller of Customs in Saint John, noted the trend towards shipowning in New Brunswick in the early 1860s, and he believed that shipowning was helping to reduce the deficit in New Brunswick's trade balance: "The most advantageous branch of our trade in 1864 has probably been that of shipowning, which ... has been the means of introducing into the Colony a large amount of gold or its equivalent in exchange, to pay for our heavy imports during the year." Shipowning was part of a response to slower growth in the old staple industries, and part of a wider quest for new economic opportunities.

The vessels

There was another critical link between shipowning in the "golden age" and the resource-based economy of the Maritimes: shipowners used vessels produced in the local economy, and the shipbuilding industry gave shipowners a conspicuous advantage in the international freight markets. The vessels built in Atlantic Canada were the result of centuries of evolution in sailing ship technology, a technology adapted to suit particular North American trades. Canadians did not build many fast "clipper" ships, but rather they built broad-beamed vessels designed to maximize carrying capacity, not speed. The technology was pre-industrial, since energy and propulsion were provided mainly by wind and human muscles. Concentrating the power of wind into canvas sails was a complex art, however, and the sailing ship was one of the most sophisticated
Figure 1
Sailing Vessels of Atlantic Canada, 1860s and 1870s
machines developed before the industrial revolution. Two basic types of sail were employed: the square sail, which is a sail suspended from yard-arms running at right angles to the length of the vessel; and the fore and aft sail, which is hoisted on gaffs and booms behind the mast. The illustration (see Figure 1) shows the combinations of square and fore and aft sails which define the main types of rig used in Atlantic Canada. Fore and aft sails were important in coastal waters because they were quickly manoeuvred, relatively easy to manage, and useful when sailing into the wind, which often happened along the eastern coast of North America. The square sail gave greater driving power when the wind was astern, and was essential on long ocean passages. Thus the vessels having square sails on both fore and main masts (brig, barque, and ship) specialized in ocean trading.

Several improvements in the design and construction of these vessels occurred during the nineteenth century. The addition of the third mast allowed sail area to be increased and spread more efficiently before the wind; this in turn allowed much larger hulls to be propelled. In the 1820s most ocean-going vessels were under 300 tons. After the 1850s most were over 500 tons, and by the 1870s the average three-masted ship in Saint John was over 1,300 tons. This increase in average carrying capacity was a very important improvement because it was not accompanied by a comparable increase in costs of operation. Other changes (Figure 2) included the use of more staysails and jibs (sails suspended between masts, and sails suspended between jibboom and foremost); the division of the single topsail into two sails (upper and lower topsails); the use of wire instead of hemp rigging; and the use of pumps, winches, windlasses, and other labour-saving devices. Perhaps the most important change, however, was the improved construction of vessels over the century. Canadian vessels were built mainly of softwood (spruce and pine) and for this reason had a shorter life than did oak vessels. In the 1820s the average life of Nova Scotia and New Brunswick vessels (excluding those sold and transferred out of the region) was a mere nine years. By mid-century shipbuilders were taking care to season and preserve ship's timbers; they built much stronger hulls; they used iron fastenings; and they sheathed the hulls in copper. These and other improvements meant that by the 1880s average vessel life had increased to fifteen years. Taken together, these changes meant that vessels were able to make more cargo-carrying passages in the course of their existence and thus that shipowners were increasingly likely to make a profit (provided, of course, that freight rates did not collapse). Sailing vessels were more productive and more durable as time passed, and this helped them to remain competitive even when iron steamers entered the North Atlantic trades.

To these improvements, one other factor must be added which guaranteed that profits could be made with a sailing ship: Canadian vessels were relatively cheap. This was a very important advantage in an industry in which the initial
Figure 2

A Late Nineteenth-Century Barque

Source: Allan Villiers, Voyaging With the Wind (London, 1975)
investment was very high. In the 1860s and 1870s, one could usually buy a vessel built in the Maritimes for prices ranging between twenty-five and forty dollars a ton. An iron steamer built in Britain could cost four or five times as much. Given this difference, shipowners in Atlantic Canada preferred to buy the cheaper wooden vessels which they knew so well. W.M. Smith explained their calculation as follows: “The experience of some of our wealthiest shipowners appears to be in favour of a well built, bay-spruce salted ship, as a profitable investment, as such vessels have been known to be running to and from all parts of the world for twenty or thirty years in good condition..., with this advantage, that the same amount of capital required for the purchase of an iron ship, would purchase two classed spruce vessels of similar size....” Such were the advantages of the Canadian-built vessel, and such were the calculations which gave Canada its great merchant marine.

*The shipowners*

Shipowners were merchant capitalists with extensive experience in the staple trades of the Atlantic colonies. Rarely were these men shipowners and nothing else. Ships were one part of the merchant’s diverse investment interests. In Saint John 57 per cent of all new tonnage was owned by men calling themselves merchants, and among the major shipowners were many timber exporters — men such as Robert Rankin, William Wright, and Thomas Millidge. In Nova Scotia the major shipowners were fish exporters, West Indies traders, and others in the import-export business. The most famous of all Nova Scotian shipowners was Samuel Cunard, the founder of a major trans-Atlantic steamship line. Cunard was also a West Indies trader, a tea merchant, a banker, and a dealer in imported goods. In Prince Edward Island many shipowners were shipbuilders whose main aim was to sell vessels in Britain, in Newfoundland, and elsewhere, but a man such as James Peake illustrates the many interests of the merchant capitalist of the mid-nineteenth century. Peake was a fish exporter, ship-outfitter, shipbuilder, coal merchant, money-lender, insurance agent, exporter of agricultural produce, coastal trader, and shipowner. In Newfoundland the major investors in shipping were fish merchants, some of whom also invested in vessels for use in the seal hunt. Throughout the region shipowners tended to be individuals or family firms, rather than incorporated joint stock companies. Most shipowners resided in the region and many acquired a deep commitment to the places in which they lived and worked. James Peake, for instance, believed that he was contributing to a great future for the colony to which he had come as an immigrant in 1823. “My task,” he said, “is to set an example and to encourage others to plan and build for the future of this place.” He described himself as “an engine” — an engine of economic growth and prosperity.

In the third quarter of the nineteenth century, when the shipping industry expanded rapidly, these energetic staple traders were willing and able to enter
into many new business ventures. In Yarmouth, NS, the family of Thomas Killam illustrates the diversification of shipowners' interests. Killam began in the 1830s as a small shipowner and West Indies trader. Before his death in 1868, he helped to create a ship outfitting business, a marine insurance company, a telegraph company, a bank, and a gas-lighting company. His sons and nephews went on to invest in railways, textile factories, the Yarmouth Iron Works, the Yarmouth Telephone Company, and other manufacturing enterprises and utility companies. The descendants of Thomas Killam were industrialists and financiers; they included Izaak Walton Killam, one of Canada's most prominent financiers in the early twentieth century. This "shipowning" family shows how easily capital could be shifted from one industry to another. It was easy for the Killams and their fellow merchants to take earnings from shipping and reinvest in landward industry. Most of the great shipowners of the age of sail were doing this in the 1870s and 1880s: in New Glasgow James W. Carmichael was moving into the iron and steel business; in Windsor Edward Dimock was investing in cement and gypsum; in Halifax Robert Boak and William Stairs invested in a sugar refinery; and in Saint John William Parks established the New Brunswick Cotton Mill. These were businessmen who had no romantic attachment to sailing ships. They were dealers in property and goods, interested in "buying cheap and selling dear" — the motto of the staple trader. If textiles promised to pay more than ships, then they would invest in textiles. In the mid-1880s, a discouraged shipowner expressed the businessman's attitude towards ships when he wrote about buying shares in a canned milk factory: "...in regard to the choice between Milk Coy. stock and shipping property ... I don't see where we can sell ships just now, but milk stock will sell much more readily."

The merchant-shipowners of the age of sail were not heroic buccaneers of business. Nor were they timid men, fearful of the new technologies of iron and steam or ignorant of joint stock financing. They were scrupulous calculators of financial advantage who put much of their capital into a very risky shipping business after inheriting their fathers' long experience in both staple trading and shipowning.

The workers

Businessmen created the shipping industry, but so also did the labour of many thousands of working men and hundreds of women. According to the 1871 census, shipyards in New Brunswick employed 1,364 workers, or 7.4 per cent of the industrial labour force. Many more might have worked in shipyards at some time during the year, for the census did not count many who may have worked for short periods. Several hundred more worked in shops which made ship materials. Many more were employed on board the actual vessels. To sail the entire New Brunswick fleet in 1870, shipowners had to hire almost six
thousand workers. If all vessels owned in the Atlantic region were put to sea at the same time, then more than fifteen thousand sailors would have been required. Of course not all vessels were at sea at the same time. Nevertheless, the shipping industry was a major employer of labour. In small coastal vessels, a majority of the crews were Maritimers or Newfoundlanders. In larger ocean-going vessels, a larger proportion were foreigners. In Yarmouth vessels in the mid-1840s, 58 per cent of the crews were Nova Scotians by birth; by the 1860s those born in the Atlantic region had fallen to below 20 per cent, and the majority of sailors were English, Scottish, Irish, Scandinavian, or American. Despite this increasing reliance upon sailors born outside the region, seafaring was a frequent occupation of many Maritimers and Newfoundlanders; on any given day in spring or summer in the 1870s, three or four thousand of them would be working at sea.

There was nothing romantic about work in a wooden sailing vessel. Sailors were confined within small spaces, often for many months, and those small spaces served as both work-place and home. The employer was required to provide food for his workers, but victualling was often inadequate and the incidence of disease was high (most common were scurvy, gastro-enteritis, venereal disease, and certain tropical diseases). This was a unique work-place, and a dangerous one: in any given year a third or more of all vessels in service could expect to be wrecked, stranded, lost at sea, or seriously damaged. It is very difficult to compare mortality rates with those in landward industries, but it is known that for those who signed Crew Agreements at the beginning of voyages the chances of dying during the voyage were at least one in a hundred.

The sailor was like a pre-industrial artisan. His work was manual labour, but it required special skills and knowledge of many technical terms. The language of work was unintelligible to the landsman. The pace of work was unlike that in landward occupations, for it was governed as much by sea and by weather as by the clock. The work-place had its own hierarchy of rank and authority. The master was both employer and seaman, and he was fully responsible for ship, cargo, and crew. His assistants, or foremen, were the "mates." The majority of crew were hired as Able-bodied Seamen or as Ordinary Seamen. Wages for Able Seamen ranged from fourteen to twenty dollars a month, and average wages declined between the early 1870s and the end of the century. These conditions meant that seafaring was a young man's occupation: men in their late twenties and thirties usually left seafaring to seek work, home, and family on the land.

Sailors had few means of protecting their interests or bargaining for better wages and working conditions. There were no trade unions for sailors on these vessels. The Crew Agreement, which all signed at the beginning of a voyage, was a civil contract, but workers were liable for prosecution under criminal law if they failed to obey the master, and penalties could be very severe. Neverthe-
less, sailors did withdraw their labour by refusing to work, in order to protest against unsafe vessels, under-manned vessels, poor food, denial of shore leave, and longer working hours. Combining with others to refuse work could result in twelve weeks' imprisonment with hard labour. In enforcing his commands, the master was assisted by his mates, and he was equipped with chains and firearms. In these circumstances, the best means of protection for the worker was escape, or desertion. In the last decades of the nineteenth century, no less than 25 per cent of those who signed Crew Agreements deserted during the voyage.

On leaving their vessels, whether by desertion or by consent, sailors eagerly devoured the comforts denied to men at sea, spending their wages on food, drink, shelter, and recreation. In the ports of eastern Canada, sailors created sailortown, unique communities of transient workers from many countries. Sailors' communities in each port prompted the intervention of governments, which sought to regulate the labour market to the advantage of shipowners, and the intervention of reformers, who sought to rescue sailors from the debauchery of taverns and brothels, and from the "crimps," those boarding-house keepers and others who acted as middlemen between the sailor and the masters of vessels wanting to hire crews. In their hundreds and thousands these seasonal, migratory workers left their mark on the port town — on its institutions, its laws, and its rhythms of life and work.

The workers in this industry were not the "jailbirds and degenerates" of old legends, but ordinary working people who happened to choose an extraordinary work-place. Their productivity certainly increased as time passed. Because of some labour-saving innovations, and because of their own greater experience, fewer men sailed the same ships as time passed. In the 1860s it required, on average, twenty-three men to work a 1200-ton three-masted ship; by the 1880s only seventeen men worked the same vessel. Sailors gained no increase in wages from this improved performance. They merely helped to keep profits from disappearing altogether. By their labour these workers guaranteed the value of investments in wooden sailing vessels.

The decline of the industry

After 1878 the shipping industry of Atlantic Canada declined rapidly. Although the Newfoundland fleet continued to expand, shipping registered in the region fell from over a million tons to about 300,000 tons on the eve of the First World War. By 1910 Canada's merchant marine was smaller than the fleets of nine other countries.

Historians have often written or implied that the decline was inevitable because wooden sailing ships could no longer compete against iron- and steel-hulled steamers. This explanation is misleading because it is far too simple: it reflects only a small part of the historical evidence. Technologies may change,
but industries do not collapse for that reason alone. Why, after all, did Maritimers not build or buy more such steel steamers themselves? It is no answer to say that steamers were expensive: many Maritimers had the capital to invest in the new steamers if they had wished to do so. And why should Maritimers not continue to buy sailing vessels? Sailing vessels were still employed in ocean trades until the end of the century, and even later. In the 1880s, when Maritimers began to run down their fleets, Norwegians and Swedes continued to invest in sailing vessels. In Newfoundland the sailing fleet continued to grow in the first two decades of the twentieth century. Steamships, therefore, did not force shipowners out of the industry. The decline of the shipping industry was the result of decisions and choices made by businessmen in the Maritimes and elsewhere in Canada.

The decisions of businessmen were guided by two sets of influences: first, the influence of international trades, or the international market for shipping; and secondly, the influences coming from the economy at home in Canada. In the international market, first of all, important changes were occurring during and after the 1870s. The supply of shipping was catching up with demand, with the result that freight rates began to fall in the mid-1870s, and they fell almost without interruption until the end of the century. This meant that shipowners usually earned less for carrying the same amount of goods.

The decline in freight rates is an important part of the story, but by itself it does not explain why the Canadian industry declined. Vessel owners were able to cut costs in order to keep making profits. They hired fewer sailors, paid lower wages, and bought less insurance, for example. They put more vessels into long-distance trades (into the Pacific, for instance), where sailing vessels were still competitive. There is another reason why the decline in freight rates does not explain fully the fate of the Canadian industry. In any industry, when supply increases faster than demand, prices will usually fall, and eventually some producers may be pushed out of business, unless nothing else occurs to save them. When freight rates fell in international shipping, it was likely that some shipowners would be persuaded to leave the business, or at least to cut back on new investment. The question still remains: why was it Canadians, and not others, who left this industry? The decline in freight rates does not answer this question, nor does the rise of the iron steamship. To answer the question, another set of influences affecting shipowners must be examined: those within the local economy.

The shipping industry had grown out of the staple trades of the Atlantic region, and from the demand for ships created by those trades. In the 1880s and 1890s, there was a decline in the volume of overseas shipments of traditional staples. Fish exports stagnated, as did timber exports, and a growing proportion of forest products went to the United States. An increasing proportion of trade to and from the Maritimes was trade with the rest of Canada, and much of this
trade was by railway. Canadian exports were increasing, of course, but the wheat boom, with its huge demand for shipping, did not come until the turn of the century. Furthermore, the local resources did not afford Maritimers an obvious advantage in the building of iron steamers. In the early 1800s, settlers on the Atlantic coast had a good supply of timber and previous experience in the building of boats and vessels, but in the late 1800s Maritimers had little experience in the building of iron vessels. Precisely because of the plentiful supply of timber for wooden ships, they had not had to acquire such experience. The development of a major source of iron ore on Bell Island, Newfoundland, did not occur until the mid-1890s, by which time the decline of the shipping industry was long under way.

But there is more to the story than this. The fact is that iron steamships could have been built in the region; they were built there during the First World War. In the 1880s and 1890s, however, very few in the region were even thinking of buying such vessels, still less building them. They did not think of these things because disappointment with the old staple trades was having another effect: it was encouraging merchants and others to look, more actively than ever before, for opportunities elsewhere. Even in the 1870s, while shipping was still expanding, increasing amounts of capital were being invested in landward industries. Such investment accelerated in the 1880s. To an increasing number of older merchants and their sons, it seemed that the future lay with railways, textiles, sugar refineries, iron and steel, and a range of financial and other services in the new industrial economy. The merchant-shipowners of Atlantic Canada always had a range of interests, as has been seen. And they had helped to create banks and other financial institutions to facilitate the transfer of capital. They had the means to shift their capital, and now they had many more opportunities to do so. They expected to make profits in the new industrial economy of Canada. In these expectations lay the fate of the shipping industry.

One other factor which had been essential to the rise of the industry in the early nineteenth century was no longer present in the last decades of the century. Government policies no longer gave a vital stimulus to shipping or shipbuilding. In the early nineteenth century, both staple industries and shipping grew within the framework of favourable British customs duties and imperial protection of trade and shipping. The government of the Dominion of Canada was either unwilling or unable to provide the substantial protection which a large merchant marine would have required. Shipbuilding bounties were offered, as were mail subsidies to some shipping lines. But effective protection would have required much higher bounties, lower port charges for Canadian vessels, the reserving of Canadian cargoes for Canadian vessels, and similar policies. There would be a price for all this, and few politicians were willing to pay the price. Besides, Canadian governments were much more interested in promoting westward expansion of the nation, a national railway system, and landward industries.
Critical to the fate of the shipping industry in Atlantic Canada was the fact that the last years of the age of sail coincided with the first years of the National Policy, a policy of landward industrial development dating from the late 1870s. If investors in the Maritimes expected to make profits from landward manufacturing and service industries, it was in no small part because government policies encouraged these expectations.

Maritimers should pause before they accuse the Dominion government of neglecting a beloved regional industry. They should pause because Maritimers and their political leaders were also enthusiastic promoters of landward development who shed few tears for the passing of the shipping industry. Furthermore, Maritimers themselves were divided over the issue of protection for Canadian shipping and shipbuilding. Some shipowners opposed subsidies to shipping lines because these subsidies might assist their competitors and not themselves. Other shipowners, such as Thomas Kenny of Halifax, wanted to encourage steamships, even though they might compete with their own sailing ships. Behind this attitude lay the priorities of the merchant trader, the man whose motto was "to buy cheap and sell dear." Selling goods required cheap transportation and low freight rates. Protection for Canadian-owned shipping might increase rather than reduce transportation costs. Instead many Maritimers wanted to encourage foreign ships to enter Canadian waters, in order that they might benefit from the lower freight rates which would follow. The staple trader was interested in goods first, and ships second. The prior interest in trade goods led Maritimers to demand steamship subsidies, lower sugar tariffs, extension of the Inter-Colonial Railway, lower railway freight rates, the creation of a "winter port" for Canada in Halifax or Saint John, and the building of grain elevators. These were the causes for which politicians and businessmen in the Maritimes now fought. Effective protection for a national merchant marine was rarely considered; for many such protection was against their business interests. Thus the wave of enthusiasm for maritime development which swept Germany and other countries in this era did not reach Canada, and even Maritimers turned away from the sea.

Conclusion

Should we not lament the passing of the merchant marine in Atlantic Canada? It is impossible to answer this question definitively, because we cannot know what "might have been." We cannot know whether the economy of the region in the twentieth century would have fared better if a large shipping industry had survived. Certainly a large merchant marine would have required many tough decisions, considerable government support, and a rather different National Policy. Certainly a loss was suffered when Maritimers and Newfoundlanders failed to re-invest in larger motorized fishing fleets in the early 1900s, when other fishing nations were doing so. Beyond this the discussion must rest upon speculation.
We can only turn to the historical record for the lessons which it has to offer. On the one hand, when we did have a large merchant marine, that industry yielded both benefits and costs to the people of the region. The industry was an integral part of the old staple-based economy; by facilitating exports, shipping guaranteed the livelihood of all who worked in the staple economy. Furthermore, shipping and shipbuilding generated profits and savings which were very important for a developing economy, and which could be reinvested in many new industries. Shipping and shipbuilding provided employment for large numbers of people in the region. On the other hand, some historians argue that shipping offered little direct encouragement to industrial growth, upon which future prosperity would depend. To the extent that a large supply of ships made it cheaper to import manufactured goods, shipping may have discouraged the growth of local manufacturing. Shipping may have helped trap the region into excessive dependence upon its staple trades. Further, it may be that shipping and shipbuilding offered little direct stimulus to such industries as iron and steel, for instance. It is very difficult to estimate the net benefits of such an industry. Certainly the old resource-based economy of the nineteenth century depended upon shipping for its growth, but in the long run the structure of the economy which evolved from staple production may have hindered industrial growth in certain critical ways.

There are other lessons from the story of the sailing ships. We are reminded that this very large industry existed because it was well integrated with the resource base of the region, and this may be an essential condition for a successful domestic industry. We are reminded that even in the nineteenth century the “free market” operating in the absence of government intervention is largely a myth: at every point in this story, from the American Revolution to the Napoleonic Wars to the Canadian National Policy, governments changed the environment in which businessmen made decisions. We are reminded that the pre-industrial craft should not be romanticized, for this work-place, so cherished in our memories and myths, was a dangerous and cruel place for those who worked in it. We are reminded that an industry is more than timber and canvas and ropes; it is also the work of many thousands of human beings, a few of whom prospered, many of whom did not. These lessons are the real legacy of the builders and owners and sailors who created a great industry from the human and material resources of Atlantic Canada.
SUGGESTIONS FOR FURTHER READING


On seafaring workers see Judith Fingard, *Jack in Port: Sailortowns of Eastern Canada* (Toronto, 1982); and *On the High Seas: The Diary of John W. Froude of Twillingate, 1863-1939* (St. John’s, 1983). Also very useful are Stanley T.